

BOARD OF DIRECTORS

Thiru T. Kannan
Dr. (Smt) Uma Kannan
Thiru K. Thiagarajan
Thiru R.M. Somasundaram
Thiru L.N.V. Subramanian
Thiru A. Mariappan
Thiru M. Murugesan
Thiru PL. Subbiah

CHAIRMAN

Thiru T. Kannan

COMPANY SECRETARY

Thiru S. Paramashivan

AUDITORS

M/s. Peri Thiagraj & Co
Madurai.

BANKERS

State Bank of India
IDBI Bank Ltd.
Standard Chartered Bank

REGISTERED OFFICE

Sulakarai
Virudhunagar.

CIN : L17111TN1946PLC003270

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixty Eighth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at Sulakarai, Virudhunagar on Wednesday the 17th day of June, 2015 at 11.00 A.M. to transact the following business:

AGENDA

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2015 and the Profit & Loss Statement for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in the place of Sri.P.L. Subbiah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Peri Thiagraj & Co., Chartered Accountants (ICAI Regn.No.002636S) as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting to the conclusion of next Annual General Meeting and to fix their remuneration.

AS SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modification(s), the following resolution as ordinary resolution:

RESOLVED that Dr. (Smt.) Uma Kannan (DIN 00467462) who was appointed as Additional Director of the Company with effect from 25.03.2015 in terms of Section 161 of the Companies Act, 2013 whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing her candidature for the office of the Director be and is hereby appointed as Director of the Company liable to determination by retirement of directors by rotation.

6. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution:

RESOLVED that subject to provisions of section 181 of the Companies Act, 2013 and other applicable provisions or rules made thereon, consent be and is hereby accorded to the Board of Directors of the Company to pay donations upto an aggregate limit of Rs.1,50,00,000/- (Rupees One Crore and Fifty lakhs only) in any financial year of the Company to charitable and other funds and purposes not directly relating to the business of the Company or the welfare of its employees.

7. To consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution:

RESOLVED that subject to provisions of section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions thereon, the fees of Rs.30,000/- payable to the Cost Auditor for auditing the cost records and furnishing of Report thereon for the Financial Year 2015-16 as approved by the Board of Directors of the Company be and is hereby ratified.

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 5th June, 2015 to 17th June, 2015 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for year ended 31.3.2015.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy/Proxies to attend and vote instead of himself. Such a proxy/Proxies need not be a member of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
5. Pursuant to Sec. 205A and 205C of the Companies Act, 1956, the dividend for the financial year 31.03.2008 which is remaining unclaimed for seven years will be transferred to the Investors Education and Protection Fund on or before 07.07.2015, being the due date for such transfer; The other dividends are lying in the Unpaid Dividend Account of the Company.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Annual Report for the year 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same.
9. Electronic copy of the Notice of the 68th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 68th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the 68th Annual General Meeting and the Annual Report for the year 2014-15 will also be available on the Company's website www.vtmill.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Sulakarai, Virudhunagar for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: complianceofficer@vtmill.com.
11. **Voting Through Electronic Means:**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 68th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy.

The instructions for e-voting are as under:

- A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) First Launch Internet browser.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.karvy.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of VTMLimited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vtmscrutinizer@gmail.com with a copy marked to evoting@karvy.com

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email ID sare not registered with the Company/ Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (E Voting Event Number) USER IDPASSWORD/PIN
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.karvy.com
- III. If you are already registered with Karvy for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 13th June, 2015 (9:00 am) and ends on 16th June, 2015 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or indematerialized form, as on the cut-off date (for the purpose of e-voting) and not book closure or record date) of 11th June, 2015, may cast their vote electronically. The e-voting module shall be disabled by karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 11th June, 2015.
- VII. The shareholders who have cast their votes through e-voting prior to the meeting shall be allowed to attend the meeting however, they shall not be entitled to vote on resolutions for which they have cast their votes through e-voting.
- VIII. Mr.I.B. Harikrishna, Practising Company Secretary (Membership No. 5302) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IX. The Scrutinizer shall on the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- X. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vtmill.com and on the website of karvy within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the company's shares are listed.

12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Sundays, up to and including the date of the Annual General Meeting of the Company.

II. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Dr. (Smt.) Uma Kannan was appointed as Woman Director of the Company on 25th March, 2015. She is Doctorate in Sociology from Madurai Kamaraj University.

She is the Director of M/s. Thiagarajar Telekom Solutions Limited and Colour Yarns Limited.

She is also the Executive Committee Member in a number of social organisations such as INTACH, Soroptimist International etc. As such she possesses knowledge and experience in corporate affairs which would be beneficial to the company.

Under Section 161(1) of the Companies Act, 2013 Dr. (Smt.) Uma Kannan holds office only up to the date of this Annual General Meeting of the Company. A notice has been received along with a fee of Rs.1,00,000/- from a member proposing Dr. (Smt.) Uma Kannan as a candidate for the office of Director of the Company.

Dr. (Smt.) Uma Kannan does not hold any equity shares in the Company.

The Board considers that the appointment of Dr. (Smt.) Uma Kannan as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends her appointment as a Director of the Company whose period of office is liable to determination by retirement of directors by rotation.

Except Sri K. Thiagarajan and Sri T. Kannan as relative of Dr. (Smt.) Uma Kannan, and Dr. (Smt.) Uma Kannan herself, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No.5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

As per the provisions of Section 181 of the Companies Act, 2013, the Directors of a Company can contribute to Charitable or other funds not directly relating to the business of the Company or the Welfare of its employees up to 5% of the Company's average net profit of the company for the three immediately preceding financial years. With the consent of the Company in General Meeting the Company may contribute in excess of the aforesaid limits, but within the ceiling fixed by the Members of the Company at the General Meeting.

The Board of Directors considers it expedient to increase the limit in view of the increasing profitability of the Company so that the Board can give donation to Charitable Institutions up to the limit prescribed under the Income Tax Act and also for scientific research which will be allowed as a weighted deduction for Income Tax purposes but which will also fall within the provisions of Section 181 Accordingly, the resolution is placed before the members of the company for their approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No.6.

Item No. 7

The board, at its meeting held on 30th April, 2015, appointed Mr M. Kannan, Practising Cost Accountant, having membership no 9167, as cost auditor of the Company, in terms of Section 148 of the Companies Act, 2013 (the Act) and fixed a sum of Rs.30,000 as remuneration payable to him, for the financial year 2015-16.

The remuneration, as recommended by the audit committee and approved by the board, is required to be ratified by the shareholders of the Company, as per the requirements of the Companies (Audit and Auditors) Rules 2014 read with Section 148(3) of the Act.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7

Accordingly, the Board recommends the ordinary resolution, as set out in item No.7, for ratification by the shareholders of the Company.

Kappalur, Madurai.
April 30, 2015.

By order of the Board

T. KANNAN

Chairman

DIRECTORS' REPORT

To the Members of VTM Limited

Your Directors have pleasure in presenting their 68th Annual Report along with the Audited statement of accounts for the year ended 31st March, 2015.

OPERATING & FINANCIAL PERFORMANCE

PROFITS, DIVIDENDS & RETENTION

	Rs. in Lakhs.	
	2014-2015	2013-2014
Turnover:-	16782	16915
Profit before Depreciation (after interest)	1627	2475
Less: Depreciation	<u>519</u>	<u>895</u>
Profit after Depreciation	1108	1580
Less: Provision for Taxation:		
Current Year	280	579
Deferred Tax	32	(-) 97
Taxation for earlier years	-	(-) 33
	<u>312</u>	<u>449</u>
Profit after Tax	796	1131
Add: Amount brought forward	<u>274</u>	<u>283</u>
Available for appropriation	1070	1414
<u>Appropriation:-</u>		
Transfer to General Reserve	500	810
Dividend @ Rs.0.63 (0.70) per share	253	282
Income Tax on Dividend	<u>53</u>	<u>48</u>
	306	330
Retained profit carried forward to the following year	<u>264</u>	<u>274</u>

The year under review witnessed a fall in profits on account of drop in demand for textile products. Textile exports witnessed a fall especially to China as a result of a serious slowdown in their economy. Indian markets continue to be sluggish as growth in the rural segment of the economy seems quite low. The year under review also witnessed a fall in cotton prices and consequently the unit value realisation of company's products were impacted negatively. Against this backdrop your company's performance must be considered as satisfactory.

Appropriation to General Reserve:

Considering the profitability and the available surplus, the Board of Directors desires to appropriate a sum of Rs.500 lakhs to General Reserve.

Dividend:

The Board of Directors are pleased to recommend a dividend of Re.0.63/- per share i.e. 63% on Equity Shares of Re.1/- each. The dividend together with dividend tax will entail a cash outflow of Rs.306 lakhs (previous year Rs.330 lakhs). If this is approved at the forthcoming Annual General Meeting, dividend will be deposited with the bank within the time prescribed and dividend will be paid to those who are Members of the Company as on record date specified in this regard. The Book Closure period being 5th June, 2015 to 17th June 2015 (Both days inclusive) in respect of shares held electronically, dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories.

Extract of Annual Return:

The Extract of Annual Return is furnished in Form MGT-9 as per Annexure III.

Associate Company:

M/s. Colour Yarns Limited is an Associate Company and the investments are held only for investment purposes.

Change in the Nature of Business:

There is no change in the nature of the business of the Company.

Orders by Regulators or Courts:

There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Material Changes Affecting the Financials:

There were no material changes and commitments affecting the financial position of the Company occurring between March 31, 2015 and the date of this Report of the Directors.

Internal Control System:

The Company has in place an established internal control system designed to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances. Code on Internal Control which require that the Directors review the effectiveness of internal controls and compliance controls, financial and operational risks, risk assessment and management systems and related party transactions, have been complied with. Self certification exercises are also conducted by which senior management certify effectiveness of the internal control system, their adherence to Code of Conduct and Company's policies for which they are responsible, financial or commercial transactions, if any, where they have personal interest or potential conflict of interest. Internal Audit has been conducted on periodical basis.

Company's Policies:

Company's Policies on Corporate Social Responsibility, Remuneration, Employee Concern (Whistle Blowing) and also the Code of Conduct applicable to Directors and Employees of the Company have been complied with. These Policies and the Code of Conduct are available on the Company's website www.vtmill.com

ISO Certification:

The Company's factory at Sulakarai, Virudhunagar, Tamil Nadu has been certified ISO for Quality Management Systems Standards.

Segment wise performance:

The Company is primarily a manufacturer of textile products and is managed organizationally as a single unit. Accordingly, the Company is a single business segment company. Geographical (secondary) segment has been identified as domestic sales and exports.

Industry Structure & Developments, Opportunities & Threats, Outlook, Risks & Concerns:

The Indian textile industry has come to occupy a predominant position on the world scene. India together with its Asian counterparts has become the clothier to the world. The Indian textile industry derives its strength from the availability of home grown raw material together with well developed indigenous technological knowhow and skilled man power. The industry receives support from the Government in terms of Technology Upgradation Fund Scheme interest subsidy and export incentive of about 2%. The industry is anxiously waiting for the new Government to unveil its textile policy. These represent the opportunities that lie ahead of the Indian textile industry and your Company.

The threats to these opportunities come from an unstable economic outlook in the importing countries, trade barriers imposed by them and inflationary pressures on our inputs. Power is a main ingredient, it has doubled in the last eight years. Availability of competitively priced uninterrupted power is essential for the stable operations of your Company's business. The power situation as it prevailed in Tamil Nadu a few years ago was extremely precarious. It has now shown improvement though the cost of the power is higher when compared to other States of India.

The Company is taking steps for development and implementation of risk management policy. The element of risk that may threaten the company is the uncertainty in the overseas market on which the company depends for its exports. Further, in the domestic market there is a risk of competition from a large number of textile units.

Your Directors look forward to the current year with hope and optimism. We expect the export markets to stabilise and a large crop of Indian cotton is expected to stabilise cotton prices. This will help your Company to improve its business and operate in a profitable manner.

Board of Directors:

The Board consists of Eight Directors of whom four are independent Directors, three non-executive Directors and one Woman Director.

The Companies Act, 2013 requires that a Woman Director should be a member of the Board of Directors for a listed company. Dr.(Smt.) Uma Kannan, Wife of Sri T.Kannan, Promoter of the Company has been recommended both by the Nomination and Remuneration Committee and by the Board of Directors to be the Woman Director of the Company. Approval for her appointment has been sought from the Members of the Company through electronic voting for which Agenda is included in the Annual General Meeting. If approved, Dr.(Smt.) Uma Kannan will join the Board of Directors as a Woman Director effective from 17th June, 2015 and she will be liable to retire by rotation.

Dr.(Smt.) Uma Kannan, aged 53 years is a Director in two Public Limited companies. She is Vice President & Secretary of Thiagarajar College, a leading educational institution in Madurai. She is Convenor of INTACH (Indian National Trust for Art, Culture and Heritage) in Madurai. She is a Senate Member in Madurai Kamaraj University.

The details of number and dates of meetings held by the Board and its Committees, attendance of Directors and remuneration paid to them is given separately in the attached Corporate Governance Report.

The sitting fees paid to the Directors are within the limits prescribed under the Companies Act, 2013 and Rules thereon.

Retirement of Directors by Rotation:

Mr.P.L. Subbiah, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment as a Director of the Company. Being eligible, he is proposed to be re-appointed as Director of the Company.

Independent Directors:

The Independent Directors have confirmed and declared that they are not disqualified to act as an independent Director in compliance with the provisions of section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors. The Independent Directors have convened a meeting on 14th January, 2015.

Code of Conduct:

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company. The Code of Conduct is available on the Company's website www.vtmill.com All Directors have confirmed compliance with provisions of section 164 of the Companies Act, 2013.

Directors' Responsibility Statement:

The Board of Directors acknowledges the responsibility for ensuring compliance with the provisions of section 134(3)c read with section 134(5) of the Companies Act, 2013 and Clause 49(III)(D)(4)(a) of the listing agreement with Stock Exchanges in the preparation of the annual accounts for the year ended on 31st March, 2015 and state that :

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;

- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and the Company has adopted proper policies and procedures for ensuring orderly and efficient conducting of the business:
 - a) the adherence of company's policies have been disclosed in the Annual Report.
 - b) the Company has carried on physical verification of fixed assets periodically and regularly.
 - c) the compliance in respect of prevention of frauds and errors has been ensured by the Internal and Statutory Audit.
 - d) the accuracy and completeness of accounting records have been certified by the Statutory Auditor.
 - e) the financial information have been prepared and circulated within a reasonable time.
- vi. the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Key Managerial Personnel:

The following person was formally appointed as Key Managerial Personnel of the Company effective from April 1, 2014 in compliance with the provisions of section 203 of the Companies Act, 2013:

- a) Mr. S. Paramashivan, Company Secretary
- b) The Company is in the process of appointing the Managing Director/Whole Time Director and Chief Financial Officer in the ensuing financial year.

Corporate Governance:

The Company has in place the SEBI guidelines pertaining to Corporate Governance. During the year under consideration the Company had an Eight member Board of Directors consisting of One Chairman and Director, Four non-executive independent directors, Three non-executive directors of which one is a Woman Director.

The Corporate Governance Report giving the details as required under Clause 49 of the listing agreement with the Stock Exchanges is given separately as Annexure I and forms part of this Report of the Directors. The Corporate Governance Certificate for the year ended on March 31, 2015 issued by M/s. Peri Thiagaraj & Co., Auditors of the Company, is also attached as Annexure I and forms a part of this Report of the Directors.

The Company has in place an Insider Trading Code for compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. Mr S. Paramashivan, Company Secretary, is the Compliance Officer responsible for compliance with the Insider Trading procedures. Details of securities transaction by insiders are placed before the Board of Directors of the Company and also notified to the Stock Exchanges.

Sri T. Kannan, Chairman of the Company has given his certificate under Clause 49(IX) of the listing agreement with Stock Exchanges regarding the annual financial statements for the year ended on 31st March, 2015 to the Board of Directors. The Chairman has given his certificate under Clause 49(II)(E) of the listing agreement with Stock Exchanges regarding compliance with the Code of Conduct of the Company for the year ended March 31, 2015, which is attached as Annexure IX and forms a part of this Report of the Directors.

Audit Committee:

The Audit Committee was reconstituted on 11.01.2011. The existing committee consists of three independent Directors and satisfies the provisions of Section 177(2) of the Companies Act, 2013. The Committee now comprises Mr. RM. Somasundaram as Chairman and Mr A. Mariappan and Mr. L.N.V. Subramanian who are all Independent Directors. The Company Secretary is the Secretary of the Committee. The details of all related party transactions are placed periodically before the Audit Committee. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee. The Company has in place a vigil mechanism details of which are available on the Company's website www.vtmill.com

The Audit Committee has also been delegated the responsibility for monitoring and reviewing risk management assessment and minimization procedures, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to.

The details of terms of reference of the Audit Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

Evaluation of the Board of its own performance, Committees of the Board and Individual Directors:

The Board reviewed and evaluated its own performance from the following angles:

- Company Performance
- Strategy and Implementation
- Risk Management
- Corporate ethics
- Performance of the Individual Directors
- Performance of the Committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee.

The Board also evaluated the performance of the above referred Committees and concluded that the Committees continued to operate effectively, with full participation from all members and executive management of the Company. The Board upon evaluation considered that the Board is well balanced in terms of diversity of experience. The Board noted that all Directors have understood the opportunities and risks to the Company's strategy, and are supportive of the direction articulated by the management team towards improvement. Corporate responsibility, ethics and compliance are taken seriously, and there is a good balance between the core values of the Company and the interests of shareholders.

The Directors also expressed their satisfaction in all the above areas considering the Company's performance in all fronts viz., New Product Development, Sales and Marketing, International business, Employee relations and compliance with statutory requirements.

Related Party Transactions:

During the year, the company has entered into contracts or arrangements with such number of related parties with the approval by the Board of Directors in respect of the following:

1. Sale, purchase or supply of any goods or materials
2. Selling or otherwise disposing of, or buying, property of any kind
3. Leasing of property of any kind
4. Availing or rendering of any services
5. Obligations

The details in respect of the material contracts or arrangements or transactions on arm's length basis carried on with the related parties have been furnished in ANNEXURE V.

Corporate Social Responsibility Committee:

A Corporate Social Responsibility Committee was constituted on April 24, 2014 with Sri T. Kannan as Chairman and M/s. K. Thiagarajan and RM. Somasundaram, Directors of the Company as Members.

The Committee met once during the year on 25th March, 2015 to finalise the Corporate Social Responsibility Policy. The Policy was approved by the Board on the same day at its meeting. The CSR policy is available on the Company's website www.vtmill.com.

The terms of reference of the Corporate Social Responsibility Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

The Committee considered the social activities as referred in Schedule VII to the Companies Act and recognizes that its operations impact a wide community of the public for imparting education for uplifting the social status of the public. In structuring its approach to the various aspects of Corporate Social Responsibility, the Company takes account of guidelines and statements issued by various regulatory bodies. Social, environment and ethical matters are reviewed by the Board including the impact such matters may have on the Company's management of risk.

The Company has finalized the manner of implementation of the CSR Policy and contributed a sum of Rs.27.00 Lakhs to a leading educational institution for development of infrastructure facilities in the Institution. The details of the project, amount of estimates and the contribution to the implementing agency has been shown in Annexure VII.

Nomination and Remuneration Committee:

A Nomination and Remuneration Committee was constituted on April 24, 2014 with Sri RM. Somasundaram as Chairman and M/s. T. Kannan and A. Mariappan as Members. This constitution satisfies the provisions of Section 178 of the Companies Act, 2013. The Company Secretary is the Secretary of this Committee.

The Company's Remuneration Policy is available on the Company's website www.vtmill.com and is attached as Annexure VIII and forms a part of this Report of the Directors. The details of terms of reference of the Nomination and Remuneration Committee, number and dates of meetings held, attendance of the Directors and remuneration paid to them are given separately in the attached Corporate Governance Report.

Stakeholders Relationship Committee:

The Shareholders and Investors Grievance Committee was constituted earlier on 26.06.2004. To comply with the requirements of the Companies Act, 2013 and the listing agreements with Stock Exchanges, the name of the Committee was changed to Stakeholders Relationship Committee effective from April 25, 2014. The Members of the Committee are Sri T. Kannan as Chairman and Sri L.N.V. Subramanian as Member. The Company Secretary is the Secretary of the Committee. The Committee has delegated the responsibility for share transfers and other routine share maintenance work to the Company Secretary and to M/s. Karvy Computer Share Private Limited, the Registrars and Share Transfer Agents of the Company. All requests for dematerialisation and rematerialisation of shares, transfer or transmission of shares and other share maintenance matters are completed within 30 days of receipt of valid and complete documents. The Committee approved all activities through Circular Resolutions and all those Circular Resolutions were placed and discussed at the Board meetings. The Committee also reports to the Board on matters relating to the shareholding pattern, shareholding of major shareholders, insider trading compliances, movement of share prices, redressal of complaints, Reports on SCORES of SEBI and all compliances under the Companies Act, 2013 and the listing agreement with Stock Exchanges. The shares of the Company are listed on the Bombay Stock Exchange. The Company's shares are compulsorily traded in the dematerialized form. The ISIN number allotted is INE222F01029. The details of shareholding pattern, distribution of shareholding and share prices are mentioned separately in the attached Corporate Governance Report.

Auditors:

M/s Peri Thiagaraj & Co., Chartered Accountants, hold office as Auditors of the Company till the conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment. Pursuant to the provisions of section 139 of the Companies Act, 2013, the Auditors are proposed to be reappointed for a term of one year, subject to ratification by the Members at the ensuing Annual General Meeting. There are no qualifications or observations or remarks made by the Auditors in their Report.

Secretarial Audit:

A Secretarial Audit was conducted during the year by the Secretarial Auditor, Mr.M.K. Bashyam, Practicing Company Secretary, in accordance with the provisions of section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached as Annexure II and forms a part of this Report of the Directors. There are no qualifications or observations or remarks made by the Secretarial Auditor in his Report.

Fixed Deposits:

The Company has not accepted any deposits from the public, and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

The company does not have any deposit which are not in compliance with the Companies Act, 2013.

Loans, Guarantees and Investments:

The Company has not granted any inter-corporate loan, given guarantee or provided security for availing loan by any other company. However the company has invested its funds in such number of companies in such no. of shares in other bodies corporate as referred to in Notes No. 12 and 14 of the Balance Sheet.

In compliance with section 186 of the Companies Act, 2013, loans to employees bear interest at applicable rates.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure IV and forms a part of this Report of the Directors.

Particulars of Employees:

The prescribed particulars of Employees required under section 134(3)(q) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure VI and forms a part of this Report of the Directors.

Annexures forming a part of this Report of the Directors:

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors :

- I. Corporate Governance Report along with Certificate on Corporate Governance by the Auditor of the Company.
- II. Secretarial Audit Report
- III. Extract of the Annual Return in Form MGT-9
- IV. Particulars on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
- V. Form AOC-2 for material contracts with Related Parties
- VI. Ratio of remuneration and Particulars of Employees
- VII. CSR Policy and Annual Report on CSR spending
- VIII. Remuneration Policy of the Company
- IX. Chairman Certificate under Clause 49(II)(E) of Listing Agreement on compliance of Code of Conduct.

Appreciation:

Your Directors record their sincere appreciation of the dedication and commitment of all employees in achieving and sustaining excellence in all areas of the business. Your Directors thank the Shareholders, customers, suppliers and bankers and other stakeholders for their continuous support to the Company.

Kappalur, Madurai.
April 30, 2015.

For and on behalf of the Board of Directors

T.KANNAN
Chairman

Annexure I: Corporate Governance Report 2014-15

THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Corporate Governance is the application of best management practices compliance of Law and adherence to ethical standards to achieve the company's objective of enhancing share shareholder value and discharge of social responsibility. The corporate governance structure in the company assigns responsibilities and entrusts authority among different participants in the organisation viz. Board of Directors, the Senior Management, Employees, etc.,

The company is committed to good Corporate governance and has complied in all material aspects with the requirements specified in Listing agreement with stock exchanges.

1. A Report on Corporate Governance is given below and Auditors certificate in compliance with the provisions of Corporate Governance is enclosed separately.

2. BOARD OF DIRECTORS

2.1. Composition and Category of Directors

The Board of Directors as on 30th April, 2015 consists of eight Directors of which there are four Non-executive Directors and four Independent Directors. The details of the composition of the Board of Directors is as follows:

Name of the Director	Category	Particulars
Sri T. Kannan	Chairman and Director	Non-Executive Director
Dr.Smt. Uma Kannan	Director	Appointed as Woman Director
Sri K.Thiagarajan	Director	Non-Executive Director
Thiru RM. Somasundaram	Director	Independent Director
Thiru L.N.V. Subramanian	Director	Independent Director
Thiru A. Mariappan	Director	Independent Director
Thiru M.Murugesan	Director	Independent Director
Thiru PL.Subbiah	Director	Non-Executive Director

2.2. Details of the Directors

To comply with the provisions of the Listing agreements and other statutory provisions the Board of Directors of the Company currently comprises of eight Directors. It has gone up from seven to eight Directors; Out of the total strength four Directors are Independent Directors who satisfy the conditions provided in the Clause B(1) of the Revised Clause 49 of the Listing Agreement besides the Company has complied with and appointed woman director as per Clause 49 IIA1.

In the present Board, Sri T.Kannan, Chairman & Director, Dr. (Smt.) Uma Kannan and Sri. K. Thiagarajan are related to each other.

None of the Directors on the Board is a member on more than ten committees as per the requirements of Clause 49 of the Listing agreement. Necessary disclosures have been made by the Directors in this regard.

The Board meets at least once in a quarter to review the performance of the Company, and also meets as and when to transact any special business that may arise.

The Companies Act, 2013 requires that a Woman Director should be a member of the Board of Directors. Dr(Smt.) Uma Kannan has been recommended both by the Nomination and Remuneration Committee and by the Board of Directors to be the Woman Director of the Company. She seeks approval to her appointment from the Members of the Company through electronic voting for which a Notice has been issued on 30th April, 2015. If approved, Dr (Smt) Uma Kannan will become a Woman Director effective from 17.06.2015. Her directorships and other details are mentioned in the Directors Report and therefore are not mentioned separately in this Report.

Sri. PL.Subbiah Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment as a Director of the Company. He is proposed to be re-appointed as a Director of the Company. The personal information about Sri PL.Subbiah is given as below:

Sri PL. Subbiah has been appointed as a Director at the Annual General Meeting held on 25.06.2014. He has been in service in textile industries for several decades and as such possesses knowledge and experience in the field of textile industry for the past several years.

All Directors have certified that the disqualifications mentioned under sections 164, 167 and 169 of the Companies Act, 2013 do not apply to them. Independent Directors have confirmed that they have complied with the Code for Independent Directors mentioned in Schedule IV of the Companies Act, 2013 and that they are not disqualified to act as an independent director in compliance with the provisions of section 149 of the Companies Act, 2013.

2.3. Code of Conduct:

The Code of Conduct laid down by the company, which has been adopted by the Board of Directors, is applicable to the Directors and all employees of the Company. This Code of Conduct emphasizes the Company's commitment to compliance with the highest standards of legal and ethical behaviour. The Code of Conduct is available on the website of the Company www.vtmill.com under heading 'Investor Information'. All Directors and senior management have adhered to the Code of Conduct of the Company during the year and have signed declarations of compliance to the Code of Conduct. The declaration signed by Chairman and Director, is given separately in the Annual Report.

2.4. Shareholding of Directors and Key Managerial Personnel:

As on March 31, 2015 following shares of the Company were held by Directors and Key Managerial Personnel of the Company :

Name	Designation	No. of shares
Sri.T. Kannan	Chairman	585600
Sri.K. Thiagarajan	Director	153600
Sri RM. Somasundaram	Director	60000

No other Director or Key Managerial Personnel holds any shares in the Company.

2.5. Board Meetings, Annual General Meeting and Attendance:

During the year under review 6 Board Meetings were held on 25th April 2014, 25th July 2014, 1st September 2014, 27th October 2014, 14th January 2015, and 25th March 2015;

Sri.T. Kannan, Sri.RM. Somasundaram and Sri.L.N.V. Subramanian attended all the meetings and each received a fee of Rs.18,000/-

Sri.K. Thiagarajan attended all meetings except held on 14.01.15 and received a fee of Rs.15,000/-

Sri.A. Mariappan attended all meetings except held on 01.09.14 and received a fee of Rs.15,000/-

Sri.M. Murugesan attended two meetings held on 27.10.14 and 14.01.15 and received a fee of Rs.6,000/-

Sri.PL. Subbiah attended two meetings held on 25.04.14 and 01.09.14 and received a fee of Rs.6,000/-

Dr.(Smt.) Uma Kannan attended one meeting held on 25.03.2015 and received a fee of Rs.3,000/-

The Company Secretary is the Secretary of the Board of Directors and attended all meetings of the Board of Directors.

2.6. Board Committees:

The Board of Directors had already constituted the Audit Committee and the Share Transfer and Investor Grievance Committee. In compliance with the new requirements of the Companies Act, 2013 and the revised Corporate Governance requirements under Clause 49 of the Listing Agreements with stock exchanges, the Board has constituted on April 25, 2014, the Corporate Social Responsibility Committee and the Nomination and Remuneration Committee and the Share Transfer and Investor Grievance Committee was renamed as Stakeholders Relationship Committee.

The composition, terms of reference, attendance and other details of these Committees are mentioned later in this Report.

2.7. Directorships and Committee membership in other companies:

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49(II)(D) of the revised Listing Agreement with the Stock Exchanges) across all companies in India of which he is a Director.

Independent Directors do not serve in more than 7 listed companies. None of the Independent Directors are whole-time directors in any listed Company so the limitations mentioned in clause 49(II)(B)(2) of the revised Listing Agreement with Stock Exchanges are not applicable.

Directorships and membership of Committees in other companies held by Directors as on March, 31, 2015 and the Attendance of the Directors at the Board meetings and the Annual General Meeting is given below:

Names of the Directors	Category	No. of Board Meetings attended	Attendance at the last AGM held on 25.6.2014	No. of Other Director -ships in companies other than VTM	No. of member -ships in Board Committees	Whether Chairman/ Member
Thiru T. Kannan		6	✓	9*	5 3	Chairman Member
Thiru K.Thiagarajan		4		3*	2	Member
Thiru RM. Somasundaram	ID	6		4 -	2 1	Chairman Member
Thiru L.N.V. Subramanian	ID	6		-	1	Member
Thiru A. Mariappan	ID	5		7	3	Member
Thiru M.Murugesan	ID	2		2	-	-
Thiru PL.Subbiah		2		-	-	-

ID: Independent Director: VTM - VTM LIMITED

Note: * includes Directorship in 1 Company coming under Section 8 of the Companies Act 2013;

Thiru T. Kannan, Chairman and Director, has attended the Annual General Meeting held on 25.06.2014

Dr.Smt.Uma Kannan was inducted as a Woman Director on and from 25.03.2015

3. AUDIT COMMITTEE:

- 3.1. Constitution and Composition: The Audit Committee was constituted during the financial year 2001-2002, and reconstituted during the years 2010-11. The Audit Committee now consists of following Directors as the members :

Director	Category
Thiru RM. Somasundaram	Chairman
Thiru L.N.V. Subramanian	Member
Thiru A.Mariappan	Member

The Chairman and Director is permanent invitee in all meetings. The Company Secretary is the Secretary of the Audit Committee. All Directors are financially literate and Mr. A. Mariappan has accounting and related financial management expertise. Besides Mr.RM. Somasundaram also has sound technical knowledge and is a finance expertise. The Statutory Auditors and Internal Auditor are invited to the meetings to discuss with the Directors the scope of audit, their comments and recommendation on the accounts, records, risks, internal procedures and internal controls of the Company.

- 3.2. Terms of Reference: The terms of reference of the Audit Committee cover all the areas mentioned under Clause 49(III) of the revised Listing Agreement with the Stock Exchanges and section 177 of the Companies Act, 2013. The Board has also included in the terms of reference of the Audit Committee the monitoring, implementing and review of risk management plan as required under Clause 49(VI) of the revised Listing Agreement with Stock Exchanges. The broad terms of reference of the Audit Committee therefore include review of financial reporting process and all financial results, statements and disclosures and recommend the same to the Board, review the internal audit reports and discuss the same with the internal auditors, review internal control systems and procedures, to meet the statutory auditors and discuss their findings, their scope of audit, post audit discussion, adequacy of internal audit functions, audit qualifications, if any, appointment /removal and remuneration of auditors, changes in accounting policies and practices, reviewing approval and disclosure of all related party transactions, reviewing with the management the performance of the statutory and internal auditors and their remuneration, compliance with listing agreements and other legal requirements and the Company's financial and risk management plan and policies and its implementation, disaster recovery policies and compliance with statutory requirements.
- 3.3. Internal Audit: The Internal Audit Department of the Company is under the control of the Internal auditor and internal audit is carried on periodically.
- 3.4. Attendance: During the financial year ended March 31, 2015, six meetings of the Audit Committee were held :

Dates of meetings: 25.04.2014, 25.07.2014, 01.09.2014, 27.10.2014, 14.01.2015, and 25.03.2015

Sri.RM. Somasundaram attended all meetings and was paid a fee of Rs. 18,000/-

Sri.L.N.V. Subramanian attended all meetings and was paid a fee of Rs. 18,000/-

Sri.A. Mariappan attended all meetings except held on 01.09.2014 and was paid a fee of Rs. 15,000/-

4. Remuneration to Directors:

Total Remuneration paid to Non-executive Directors for attending meetings of the Board and Committees during the year ended March 31, 2015 is given below :

Name of the Director	Sitting Fees (For Board & Committee Meetings)
Thiru T. Kannan (Chairman)	Rs.24000/-
Thiru K.Thiagarajan	Rs.18000/-
Thiru RM. Somasundaram	Rs.45000 /-
Thiru L.N.V. Subramanian	Rs.39000/-
Thiru A. Mariappan	Rs.36000/-
Thiru M. Murugesan	Rs. 6000/-
Thiru PL.Subbiah	Rs. 6000/-
Dr (Smt) Uma Kannan	Rs. 3000/-

5a. NOMINATION AND REMUNERATION COMMITTEE:

Constitution and Composition: The Nomination and Remuneration Committee was constituted on April 25, 2014 in compliance with the provisions of section 178 of the Companies Act, 2013 and Clause 49 (IV) of the revised Listing Agreement with Stock Exchanges. Sri.RM.Somasundaram Independent Director, has been appointed as Chairman of the Committee and other members are Sri.T.Kannan and Sri.A.Mariappan.

Terms of Reference: The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Clause 49(IV) of the revised Listing Agreement with the Stock Exchanges and section 178 of the Companies Act, 2013. The broad terms of reference of the Nomination and Remuneration Committee therefore include recommending a policy relating to remuneration and employment terms of whole time directors and senior management personnel, adherence to the remuneration/employment policy as finally approved by the Board of Directors, preparing the criteria and identify persons who may be appointed as directors or senior management of the Company, preliminary evaluation of every Director's performance, Board diversity, compliance of the Code for Independent Directors referred to in Schedule IV of the Companies Act, 2013, compliance with the Company's Code of Conduct by Directors and employees of the Company, reporting non- compliances to the Board of Directors, recommending draft of the report required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which will form part of the Directors Report to Shareholders, monitor loans to employees and any other matters which the Board of Directors may direct from time to time.

Attendance: During the financial year ended March 31, 2015, one meeting of the Nomination and Remuneration Committee were held on March 25, 2015 which was attended by all members and each member received a fee of Rs.3,000/-

The Attendance of the Directors at the Committee meeting (on 25.03.2015) is given below :

- | | | |
|----|----------------------|------------|
| 1. | Sri. RM.Somasundaram | - Chairman |
| 2. | Sri. T. Kannan | - Member |
| 3. | Sri. A. Mariappan | - Member |

Remuneration Policy: The Remuneration Policy recommended by the Nomination and Remuneration Committee has been accepted by the Board of Directors.

The terms of reference of the Committee inter alia, include the following:

Succession planning of the Board of Directors, and Senior Management Employees; Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria; Identifying potential individuals for appointment as Key Managerial Personnel, and to other Senior Management positions;

Formulate and review from time to time, the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;

Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

Remuneration to Directors:

The Non-executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. They are also entitled to commission not exceeding 3% of the net profits of the Company.

Besides Sitting Fees, Sri T. Kannan, Chairman, and Sri K. Thiagarajan, Director are to be paid Profit Commission of Rs.20.00 Lakhs and Rs.14.00 Lakhs respectively in terms of Section 197 of the Companies Act, 2013 for the year ended 31st March 2015.

5b. Corporate Social Responsibility Committee:

As required under section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee was constituted on April 25, 2014 with Sri T.Kannan as Chairman and Sri. K.Thiagarajan and Sri.RM.Somasundaram as Members.

The terms of reference of this Committee is to comply with the requirements of section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other relevant compliances.

The Committee met once during the year on March 25, 2015 to finalise the Corporate Social Responsibility Policy, besides the CSR spending which was attended by all members and each received a fee of Rs.3,000/-.

The CSR Policy, which was approved by the Board is available on the Company's website.

Separate Meeting of Independent directors:

The independent directors of the company Sri.RM. Somasundaram, Sri. A. Mariappan. Sri. L.N.V. Subramanian, met on 14th January 2015 without the attendance of non-independent directors and members of management, deliberated and reviewed the performance of non-independent directors and the Board as a whole. Besides they assessed the quality, quantity and timeliness of flow of information between the company management and the Board members that is necessary for the Board to effectively and reasonably perform their duties.

SHARES:**6. SHARE TRANSFER AND STAKEHOLDERS RELATIONSHIP COMMITTEE**

- 6.1 Constitution and Composition : The Share Transfer Committee was constituted on 2004.reconstituted on 2011 and now renamed as Stake holders relationship committee in the financial year.

The Shareholders and Investor Grievance Committee was constituted earlier in 2004. In order to comply with the requirements of Companies Act, 2013 and the Clause 49 of Listing agreement with Stock exchange ,the name of the Committee was changed as Stake holders Relationship committee with effect from 25.04.2014, to specifically look into the redressal of investors' complaints. It consists of two Directors namely Sri.T. Kannan and Sri.L.N.V. Subramanian as Members of the Committee.

The Stakeholders' Relationship Committee has through Circular resolutions, approves the transfers, transmissions and demat requests. Mr.S. Paramashivan, Secretary of the Company who is also the Secretary and Compliance Officer for the Committee.

During the year 15 grievances regarding non-receipt of shares applied for transfer, non-receipt of dividend, and related matters were received from the shareholders, and out of that 14 grievances were redressed. There were no transfer of shares pending for transfer at the close of the year.

Information on Unclaimed Dividend:

Pursuant to provisions of the Companies Act 2013, Company is committed in making timely payment of dividend. Pursuant to provisions of Section 205A of the Companies Act 1956, dividend that remained unpaid or unclaimed for financial year ended 31st March 2008, due to be transferred on 07.07.2015 to The Investor Education and Protection Fund (IEPF), constituted by Central Government under Section 205C of the Companies Act 1956 will be transferred within the time prescribed.

Distribution of Shareholding as on 31.03.2015

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 5000	1863	84.81	2280284	5.67
5001 - 10000	155	7.05	1050064	2.61
10001 - 20000	90	4.10	1243194	3.09
20001 - 30000	36	1.64	907052	2.25
30001 - 40000	8	0.36	296318	0.74
40001 - 50000	8	0.36	352420	0.88
50001 - 100000	15	0.68	999134	2.48
100001 - above	22	1.00	33099134	82.28
Total	2197	100	40227600	100

Shareholding pattern as on 31st March 2015:

Shareholders	No. of Shares held	% of total shares held
Promoters	30169700	75.00
Financial Institutions	0	0.00
Corporate Bodies	453057	1.12
Public	9558519	23.76
NRI's	46324	0.12
Total	40227600	100.00

1. The Promoters have not pledged any of the shares held in the company.
2. The Company has not issued any ESOP to its Employees / Directors.

Dematerialisation of shares:

The shares of the Company have been dematerialised and the unique ISIN number allotted for the Company as under:

ISIN : INE222F01029

Currently 90.81% of the total shares have been dematerialised.
The Shares held by Promoters have all been dematerialised.

Listing at Stock Exchanges:

Sl.No	Name of the Exchange	Code	Address
1	Bombay Stock Exchange Ltd	532893	Regd. Office: Floor 25, PJ Towers Dalal Street, MUMBAI - 400 001
2	Madras Stock Exchange(MSE) Under NSE trading platform -company's Stock Trading took place till 29.1.2015*	—	Exchange Building, 11, Second Line Beach, CHENNAI-600 001

* MSE has become defunct and is not functioning now due to SEBI order on the Regional stock exchanges.

TRADING SYMBOL AT BSE : VTM
Demat ISIN No. : INE222F01029

Share Price movements:
Market price data : Exchange : BSE

Month	High Rs.	Low Rs.
APRIL '14	17.85	15.10
MAY '14	19.45	14.35
JUNE '14	22.65	16.35
JULY '14	22.95	18.10
AUGUST '14	26.00	18.00
SEPTEMBER '14	29.15	22.10
OCTOBER '14	25.60	22.00
NOVEMBER '14	26.80	21.50
DECEMBER '14	26.50	22.95
JANUARY '15	26.60	22.75
FEBRUARY '15	24.90	20.00
MARCH '15	24.00	19.00

The share quotations are stated for the Re 1/- Face value of the company's equity share.

Stock Options: Nil
Plant Location: Sulakarai, Virudhunagar, Pin: 626 003

- 6.2 Compliance Officer : Mr.S. Paramashivan Company Secretary, is the Secretary of this Committee and the Compliance Officer and his contact details are given below :

Mr S.Paramashivan Company Secretary -VTM Limited
Sulakarai ,Virudhunagar, INDIA
Phone : 0452 -2482595-Ext 549
Email : complianceofficer@vtmill.com

- 6.3 Details of Complaints from Shareholders:

No. of complaints remaining unresolved as on 31.03.2014	:	Nil
No. of complaints received during the year	:	15
No. of complaints resolved during the year	:	14
No. of complaints unresolved as on 31.03.2015	:	1

7. GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings are given below

Details of the last three Annual General Meetings (AGM).

AGM for the Financial Year ended	Date & Time of AGM
31st March, 2014	25th June 2014 at 12.00 Noon
31st March, 2013	5th June 2013 at 11.30 A.M
31st March, 2012	11th June 2012 at 12.00 Noon

EGM / Postal Ballot meetings:

Postal Ballot meeting/e voting -12.09.2014

To lease, mortgage/or creation of charges/hypothecate ,etc., of the properties of the Company in terms of Section 180(1)(a) of the Companies Act, 2013

Extraordinary General Meeting/e voting - 29.09.2014

Resolutions passed by members at the EGM held on 29.09.2014 to authorize the Board of directors of the company, to enter into contract,/agreement for transactions of sale ,purchase or supply of goods or materials with M/s Thiagarajar Mills P ltd up to an estimated transaction value of not exceeding Rs 100 crore per annum on behalf of the company for each of the 5 financial years commencing from 1.4.2014

All the resolutions set out in the respective Notices were passed by the Shareholders (e-voting).

All the General Meetings were held at the Registered Office of the Company.

7.1 Pledge of shares: No pledge has been created over the Equity Shares held by the Promoters as on March 31, 2015.

7.2 Special resolutions:

At the Annual General Meeting held on June 25, 2014 a special resolution was passed giving consent to the Board of directors Under section 180(1) (c) of the Companies Act, 2013 to borrow monies in excess of the aggregate of the paid up share capital and free resources of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 320 Crores (Rupees Three hundred and twenty Crores) over and above the aggregate of the paid up share capital and free reserves of the Company".

7.2.1 At the ensuing 68th Annual General Meeting to be held on June, 2015 no resolution is proposed to be passed by special resolution.

7.2.2 Pursuant to section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable requirements, voting at the 68th Annual General Meeting will be made through electronic voting. The electronic voting period commences on 10th June, 2015 (9:00 am) and ends on 13th June, 2015 (6:00 pm) both days inclusive. Book closure has been fixed as 5th June, 2015 to 17th June, 2015 to determine the Members entitled to vote on the resolutions mentioned in this Notice. No special resolution is proposed to be conducted through postal ballot or electronic voting.

Scrutinizer for electronic voting : Mr IB Harikrishna, FCS, (C.P No 5302) of Akshaya Corporate Solutions Private Limited, Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the electronic voting process in a fair and transparent manner and to give his report to the Chairman.

8. DISCLOSURES:

8.1 Details of transactions with related parties have been reported in the Notes to Accounts. All the transactions with related parties are at arm's length basis. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis.

8.2 Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

8.3 There were no instances of non-compliance by the Company or any penalties or strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

8.4 The Company has in place an Employee Concern (Whistle Blower) which is also available on the Company's website. No personnel has been denied access to the Audit Committee to lodge their grievances.

- 8.5 All mandatory requirements have been appropriately complied with.
- 8.6 The Management Discussion and Analysis Report forms a part of the Directors' Report.
- 8.7 No presentations were made to institutional investors and analysts during the year.
- 8.8 The Company does not have any subsidiary.
- 8.9 There have been no public issues, rights issues or other public offerings during the past five years. The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

9. MEANS OF COMMUNICATION:

- 9.1 Quarterly results are published in the Trinity Mirror and the tamil version thereof in Malai Malar the day after the Board Meeting where the results are approved. These financial results and quarterly shareholding pattern are electronically transmitted to the stock exchanges and are also uploaded on the Company's website www.vtmill.com.
- 9.2 Shareholder communication including Notices and Annual Reports are being sent to the email addresses of Members available with the Company and the Depositories. Annual Accounts are sent to Members at least 25 days before the date of Annual General Meeting.

The Management Discussion and Analysis Report forming part of the Annual Report is enclosed. [Clause 49(IV)(F) of the Listing agreement].

- 9.3 The Company's website: www.vtmill.com makes online announcements of Board Meeting results of the quarterly financial results, announcement of the date of Annual General Meeting and proposed dividend, and other announcements. Copies of Notices sent to Shareholders are also available on the website.

In compliance with Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 the Company sends intimation to all members concerned in May of each year by ordinary post informing them that their dividend for past years have remained unclaimed. Reminder letters are also given to concerned Shareholders two months before the due date of transfer of unclaimed dividend to the Investor Education and Protection Fund of the Central Government.

- 9.4 Address for communication :
All communication regarding share transactions, change of address, bank mandates, nominations etc. should be addressed to the Registrars and Share Transfer Agents of the Company at the following address :

Registrar & Transfer Agent:

Karvy Computershare Pvt. Ltd.

(Unit: VTM LIMITED)

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad - 500 008

Ph : +91 040 67161518

Contact Person: Mr.D.SURESH BABU- Deputy Manager -RIS.

The shareholders may also address their correspondence to:-

VTM LIMITED

Sulakarai

Virudhunagar-626 003.

Phone: 04562-234801

VTM LIMITED

Chairman's Office:

Thiagarajar Mills Premises

Kappalur

Madurai-625 008.

Phone: 0452-2482595

Grievances, if any, may also be addressed to the Company Secretary at email at complianceofficer@vtmill.com

Shareholders are requested to mention their folio nos., DP-ID and Client ID in case of demat shares, phone and mobile nos. and their Email ID so that we can contact them and redress their complaints immediately. However, for instructions like change of bank mandate, change of address, transfers & transmission of shares etc. letters duly signed by the Shareholders concerned should be sent otherwise such requests cannot be processed by the Registrars. Email ID of Shareholders will have to be registered with the Company to enable the Company or the Registrars to communicate electronically.

GENERAL SHAREHOLDER INFORMATION :

1. Date, Time and Venue of the Annual General Meeting.	:	17th June, 2015 at 11.00 A.M at the Registered Office at Sulakarai, Virudhunagar.
2. Dates of Book Closure/Record date for Financial Year 2014-15	:	Register of Members will be closed from 5th June to 17th June, 2015;
3. Results for Quarter ending June 30, 2015 (Provisional)	:	3rd Week of July, 2015.
Results for Quarter ending September 30, 2015 (Provisional)	:	3rd Week of October, 2015.
Results for Quarter ending December 31, 2015 (Provisional)	:	3rd Week of January, 2016.
Financial Calendar - 1st April 2015 to 31st March 2016 (Audited)	:	4th Week of April, 2016.

Auditors' Certificate on compliance of the provisions of the Code of Corporate Governance in the listing Agreement:

To
The Shareholders of **VTM LIMITED**, Sulakarai, Virudhunagar.

We have examined the compliance of conditions of Corporate Governance by VTM LIMITED, Sulakarai, Virudhunagar for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Madurai,
April 30, 2015.

For **Peri Thiagraj & Co.,**
Chartered Accountants
Firm Registration No.002636S
T. Kalairaj
Partner
Membership No.023840

Management Discussion & Analysis:

Financial Performance:

Sales Turnover has marginally reduced from Rs.16,915 Lakhs to Rs.16,782 Lakhs. The Gross Profit has gone down to Rs.1,627 Lakhs, as set out in the Directors' Report.

Industry Structure and Developments:

Industry structure and developments has been elaborately stated in the Director's Report.

Internal Control Systems and their Adequacy:

Internal Control Systems has been elaborately stated in the Director's Report.

Human Resources:

The Company has a recruitment and training policy to meet its HR needs. The Company's performance on the Industrial Relations front continues to be quite satisfactory.

Cautionary Statement:

Certain statements in the "Management Discussion and Analysis Report" may be forward looking and are as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook - the ever present risk factors.

Annexure II

M.K.BASHYAM
Company Secretary in Practice
FCS 600- CP.NO 3837

43 (9A), Palmal Cross Street
Madurai -625001
Phone :2338121

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
VTM Limited
Sulakarai,
Virudhunagar

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VTM LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of VTM LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance -mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by VTM LIMITED ("the Company") for

M.K.BASHYAM
Company Secretary in Practice
FCS 600 - CP.NO 3837

43 (9A), Palmal Cross Street
Madurai -625001
Phone :2338121

the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (vi) Taxation Laws, Labour Laws and Environmental Laws.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange

M.K.BASHYAM
Company Secretary in Practice
FCS 600- CP.NO 3837

43 (9A), Palmal Cross Street
Madurai -625001
Phone :2338121

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors Independent Directors, besides woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions of the Board have been unanimously passed.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has convened the Annual General Meeting and conducted two Extra Ordinary General Meetings of which one through a Postal Ballot along with e-voting facility for all meetings after giving required notices to the members of the Company duly complied with the provisions of the Companies Act 2013.

M.K.BASHYAM
Company Secretary in Practice
FCS 600- CP.NO 3837

43 (9A), Palmal Cross Street
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Sl no	Meeting details	Held on/ Results declared on
1	Annual General Meeting: Special Resolutions passed by members at the AGM held on 25.06.2014 to authorize the Board of directors of the company, to borrow moneys in excess of the aggregate of paid up capital and Free reserves upto a maximum limit of Rs.320 Crores apart from temporary loans obtained /to be obtained from the Company's Bankers.	25.06.2014
2	Postal Ballot meeting : Special Resolution passed for creating lease, mortgage/or creation of charges/ hypothecation etc., on the properties of the Company in terms of Section 180(1)(a) of the Companies Act, 2013	12.09.2014
3	Extra-Ordinary General Meeting: Special Resolution passed by members at EGM held on 29.09.2014 for obtaining consent from the members for entering into contracts with Related Parties.	29.09.2014

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

M.K.Bashyam
Company Secretary in practice
FCS No. 600 C P No.: 3837

M.K.BASHYAM
Company Secretary in Practice
FCS- CP.NO 3837

43 (9A), Palmal Cross Street
Madurai -625001
Phone :2338121

‘Annexure A’
(To the Secretarial Audit Report of
M/s. VTM Limited for the financial year ended 31/03/2015)

To
The Members,
VTM Limited,
Sulakarai,
Virudhunagar.

My Secretarial Audit Report for the financial year ended 31/03/2015 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	: L17111TN1946PLC003270
ii)	Registration Date	: 27-07-1946
iii)	Name of the Company	: VTM LIMITED
iv)	Category / Sub-Category of the Company	: Company Having Share Capital
v)	Address of the Registered office and contact details	: SULAKARAI, VIRUDHUNAGAR
vi)	Whether listed company Yes / No	: Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	: Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 008 Phone : 91 040 67161518 Fax : 91 40 23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Fabrics	17115	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Colour Yarns Limited	U17115TN1990PLC018665	Associate		2(6)

IV. SHAREHOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31 st March 2014)				No. of Shares held at the end of the year (as on 31 st March 2015)				% change in shareholding during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
- Individuals */ HUF	1613400	-	1613400	4.01	1613400	-	1613400	4.01	-
- Central Govt/ State Govt..	-	-	-	-	-	-	-	-	-
- Bodies Corp.	5518300		5518300	13.72	5518300		5518300	13.72	-
- Banks/FIIs									
- Any other (specify) Partnership Firms	23038000		23038000	57.27	23038000		23038000	57.27	-
Sub-total (A) (1)	30169700		30169700	75.00	30169700		30169700	75.00	-
(2) Foreign									
- Individuals (Non Resident)	-	-	-	-	-	-	-	-	-
- Individuals / Foreign individuals)	-	-	-	-	-	-	-	-	-
- Bodies Corporate	-	-	-	-	-	-	-	-	-
- Institutions	-	-	-	-	-	-	-	-	-
- Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	30169700		30169700	75.00	30169700		30169700	75.00	-
B. Public Shareholding									
I. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
f) Insurance Cos	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	357191	206800	563991	1.40	246232	206800	453037	1.13	-0.27
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4045515	2409660	6455175	16.04	4365550	2357060	6722610	16.70	0.66

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31 st March 2014)				No. of Shares held at the end of the year (as on 31 st March 2015)				% change in shareholding during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1877227	1053600	2930827	7.29	1716334	1053600	2769934	6.89	-0.40
c) Others (specify) NRIs	29307	12600	41907	0.10	33724	12600	46324	0.12	0.02
Firms	-	66000	66000	0.16	-	66000	66000	0.16	-
Sub-total (B)(2):-	6309240	3748660	10057900	25.00	6361840	3696060	10057900	25.00	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	6309240	3748660	10057900	25.00	6361840	3696060	10057900	25.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	36478940	3748660	40227600	100.00	36531540	3696060	40227600	100.00	-

ii) Shareholding of Promoters

Sl	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	T. Kannan	585600	1.46	-	585600	1.46	-	-
2	Radha Kannan	874200	2.17	-	874200	2.17	-	-
3	K.Thiagarajan	153600	0.38	-	153600	0.38	-	-
4	Thiagarajar Mills Pvt Ltd	2678000	6.66	-	2678000	6.66	-	-
5	T.Kannan,Partner, Guruvayoorappan Investments	7520000	18.69	-	7520000	18.69	-	-
6	T.Kannan,Partner,Avittam Investments	7500000	18.64	-	7500000	18.64	-	-
7	T.Kannan,Partner, Karumuttu Investments	6190000	15.39	-	6190000	15.39	-	-
8	T.Kannan,Partner, Thirumagal Investments	1828000	4.54	-	1828000	4.54	-	-
9	Sree Thiagaraja Finance Pvt Ltd	1504000	3.74	-	1504000	3.74	-	-
10	Sree Devi Karumari Finance Pvt Ltd	1336300	3.32	-	1336300	3.32	-	-
		30169700	75.00	0	30169700	75.00	0	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change) – There is no change in promoters' Shareholding

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl no.		Share holding at beginning		Cumulative share holding during the Year	
		No. of shares	% of Total Sh capital of company	No. of shares	% of Total Sh capital of company
At the beginning of year					
Date wise Inc/Dec during the year					
1	A.C.Paul	600600	1.49	600600	1.49
2	S.N.Rajan				
At the beginning of year		549779	1.37	549779	1.37
Date wise Inc/Dec during the year					
Date	Buy/(Sell)				
04.04.2014	Buy	153200	0.38	702979	1.75
11.04.2014	Buy	159	0.00	703138	1.75
18.04.2014	Buy	55000	0.14	758138	1.88
09.05.2014	Buy	117	0.00	758255	1.88
23.05.2014	Buy	9589	0.02	767844	1.91
01.06.2014	Buy	1507	0.00	769351	1.91
13.06.2014	(Sell)	(22557)	0.06	747794	1.86
30.06.2014	(Sell)	(10916)	0.03	735878	1.83
05.07.2014	(Sell)	(8570)	0.02	727308	1.81
11.07.2014	Buy	305	0.00	727613	1.81
01.08.2014	(Sell)	(41342)	0.10	686271	1.71
14.08.2014	(Sell)	(2300)	0.01	683971	1.70
21.08.2014	(Sell)	(53708)	0.13	630263	1.57
28.08.2014	(Sell)	(31322)	0.08	598941	1.49
04.09.2014	(Sell)	(6400)	0.02	592541	1.47
11.09.2014	(Sell)	(85827)	0.21	506714	1.26
18.09.2014	(Sell)	(119857)	0.30	386857	0.96
30.09.2014	(Sell)	(6696)	0.02	380161	0.95
29.10.2014	Buy	5800	0.01	385961	0.96
05.11.2014	Buy	22743	0.06	408704	1.02
12.11.2014	Buy	3315	0.01	412019	1.02
21.11.2014	Buy	16248	0.04	428267	1.06
26.11.2014	(Sell)	(3613)	0.01	424654	1.06
19.12.2014	Buy	13480	0.03	438134	1.09
29.12.2014	Buy	1660	0.08	439794	1.09
09.01.2015	Buy	28776	0.07	468570	1.16
15.01.2015	Buy	625	0.00	469195	1.17
23.01.2015	Buy	55692	0.14	524887	1.30

Sl no.		Share holding at beginning		Cumulative share holding during the Year	
		No. of shares	% of Total Sh capital of company	No. of shares	% of Total Sh capital of company
30.01.2015	Buy	6804	0.02	531691	1.32
04.02.2015	Buy	2995	0.01	534686	1.33
20.02.2015	Buy	13319	0.03	548005	1.36
25.02.2015	Buy	4484	0.01	552489	1.37
12.03.2015	Buy	1094	0.00	553583	1.38
20.03.2015	Buy	7246	0.07	560829	1.39
26.03.2015	Buy	4117	0.01	564946	1.40
30.03.2015	Buy	2440	0.00	567386	1.41
At the beginning of year					
Date wise Inc/Dec during the year					
3. Anil Kumar Goel		418560	1.04	418560	1.04
At the beginning of year					
Date wise Inc/Dec during the year					
4. LRMK. Valliappan		183000	0.45	183000	0.45
At the beginning of year					
Date wise Inc/Dec during the year					
5. Vinay Kumar Gupta		168040	0.42	168040	0.42
6. Deepak Popatlal vora					0.40
13.03.2015		50588			0.13
20.03.2015	Buy	60000	0.15	110588	0.28
27.03.2015	Buy	50864	0.12	161452	0.40
At the beginning of year					
Date wise Inc/Dec during the year					
7 High Manor School Ltd		159500	0.40	159500	0.40
At the beginning of year					
Date wise Inc/Dec during the year					
8 K.S.Gopaldaswamy & Ranjani Goplaswamy		150000	0.37	150000	0.37
At the beginning of year					
Date wise Inc/Dec during the year					
9 S.Kasi Viswanathan		150000	0.37	150000	0.37
At the beginning of year					
Date wise Inc/Dec during the year					
10 L.R.M.K.Subramanian		120000	0.30	120000	0.30

(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Director / KMP (M/s.)	Opening Balance (% of the total share capital)	Date of Dealing	Purchase or Sales	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
						No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
T.KANNAN	585600	-	-	-	-	-	-	585600	1.46
K.THIAGARAJAN	153600	-	-	-	-	-	-	153600	0.38
UMA KANNAN	-	-	-	-	-	-	-	-	-
RM.SOMASUNDARAM	60000	-	-	-	-	-	-	60000	0.15
L.N.V.SUBRAMANIAN	-	-	-	-	-	-	-	-	-
A.MARIAPPAN	-	-	-	-	-	-	-	-	-
M.MURUGESAN	-	-	-	-	-	-	-	-	-
PL.SUBBIAH	-	-	-	-	-	-	-	-	-
S.PARAMASHIVAN-CS	-	-	-	-	-	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7837350	-	-	7837350
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	7837350			7837350
Change in Indebtedness during the financial year		-	-	
· Addition	60563000			60563000
· Reduction	8600000			8600000
Net Change	51963000	-	-	51963000

Indebtedness at the end of the financial year	59800350	-	-	59800350
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	59800350	-	-	59800350

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: -Not Applicable (NA) -

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NA	NA	NA	NA	NA
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify					
5.	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other Directors:

(Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		RM. Somasundaram	L.N.V. Subramanian	A. Mariappan	M. Murugesan	
1.	Independent Directors					
	Fee for attending board / committee meetings	18000	18000	15000	6000	57000
	Commission	27000	21000	21000	-	69000
	Others	-	-	-	-	-
	Total (1)	45000	39000	36000	6000	126000
		T.Kannan	K.Thiagarajan	Uma Kannan	PL.Subbiah	
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings	18000	15000	3000	6000	42000
	Commission	6000	3000	-	-	9000
	Others	2000000	1400000	-	-	3400000
	Total (2)	2024000	1418000	3000	6000	3451000
	Total (B)=(1+2)					
	Total Managerial Remuneration					3577000
	Overall Ceiling as per the Act					3%

Note: Total managerial remuneration is stated inclusive of sitting fees paid to Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		331168		331168
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify				
5.	Others, please specify				
	Total		331168		331168

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
B. Directors					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				

ANNEXURE-IV TO THE DIRECTORS' REPORT

Particulars furnished pursuant to the Companies (Accounts) Rules, 2014.

1. STEPS TAKEN FOR CONSERVATION OF ENERGY:

a) Air Leakage Audit:

During the year the Company conducted Air Leakage Audit to check the leakages of Air Compressor in order to save the energy by arresting the major leakages. The traditional GI pipelines have been removed and new technological Aluminium Pipelines were laid to avoid air leakages.

b) Power Factor:

The Company laid separate Dedicated Feeder to obtain uninterrupted power supply.

The Company has installed invertors (VFD) to harmonise the power consumption in Humidification Plant and Autoconers installed in the manufacturing facility.

2. STEPS TAKEN FOR ALTERNATE SOURCES OF ENERGY & CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS:

a) The company has constantly taken efforts for Green Energy by installation of 4 Nos. Wind Turbine Generator at a Capital Outlay of Rs.2325 Lakhs during the last ten years which saves substantial power cost.

b) The Company has made an investment of Rs.57.00 Lakhs by installation of High Efficiency and Low Loss Transformers and LED lamps in the place of Fluorescent lamps.

A. POWER AND FUEL CONSUMPTION

		<u>31.3.2015</u>	<u>31.3.2014</u>
1. Electricity			
a) Purchased:			
Units		2004503	2040402
Total amount	Rs.	2,58,70,678	Rs. 2,62,43,415
Rate per unit	Rs.	12.91	Rs. 12.86
b) Own Generation:			
Through Diesel Generator			
Units		166910	509899
Units per litre of oil		3.36	3.38
Cost per unit	Rs.	16.11	Rs. 15.66
c) Through Windmill:			
Produced Units		5314729	5697619
Availed Units		5314729	5697619
d) Through an Independent Power Producer:			
Units		8947300	8136395
Rate per unit	Rs.	7.18	Rs. 6.09

B. CONSUMPTION PER UNIT OF PRODUCTION OF CLOTH:

Electricity per Metre of production of cloth	Rs.	4.99	Rs.	4.99
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- Note: 1. No standard rate of consumption is available.
2. As the company is producing numerous varieties or sorts of cloth, separate details for each variety or sort are not given.

II. TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT:

1. The Company has installed new Drier Systems in compressors which improves the efficiency of looms by arresting water leakages.
2. The installation of new ALMAC inspection machines derive the benefit of reduction in process of folding.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company has earned during the year under report foreign exchange equivalent to Rs.2725 Lakhs (FOB value of exports) through direct exports.

The foreign exchange outgo during the period is Rs.40.27 Lakhs.

The company is striving to expand the export market segment by broadening its geographical sweep.

Kappalur, Madurai.
April 30, 2015.

For and on behalf of the Board of Directors
T.KANNAN
Chairman

ANNEXURE V

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of material contracts or arrangements or transactions at arm's length basis:

Name of the party with which contract is entered into	Name of the Director interested	Relation with director/ company/ Nature of concern or interest	Duration	Salient Terms including value if any	Date of Board approval	Advance paid if any
1		2	3	4	5	6
Thiagarajar Mills P. Ltd.	T. Kannan Uma Kannan K. Thiagarajan A. Mariappan	Director Shareholder Director Director	Five Years from 01.04.2014	At arm's length price and in tune with market rates	25.04.2014 and 01.09.2014	NIL

The Company has obtained consent from members at the EGM held on 29.09.2014 for entering into contracts exceeding the limits specified in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014

ANNEXURE VI

 PARTICULARS OF REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL IN TERMS OF
 RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014.

S.No	Particulars	Details			
		Rs. in lakhs			
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Name of the Director	Designation	Remuneration	Ratio to Median Remuneration
		Sri T. Kannan	Chairman	20.00	19.21
		Sri K. Thiagarajan	Director	14.00	13.44
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name of the Director (M/s.)	Designation	Remuneration	Percentage increase in Remuneration
		Sri T. Kannan	Chairman	2013-14 40.00 2014-15 20.00	(50.00%)
		Sir K. Thiagarajan	Director	8.00 14.00	75.00%
		Sri S. Paramashivan	Company Secretary	3.18 3.31	4.01%
3.	The percentage increase in the median remuneration of employees in the financial year;	Year	2013-14	2014-15	Increase
		Median remuneration	1.06	1.04	(01.93%)

S.No	Particulars	Details																											
4.	The number of permanent employees on the rolls of company;	362																											
5.	The explanation on the relationship between average increase in remuneration and company performance;	<table><tr><th>Year</th><th>2013-14</th><th>2014-15</th><th>Increase</th></tr><tr><td>Company's performance [EBITDA]</td><td>2500.55</td><td>1645.11</td><td>(34.21%)</td></tr><tr><td>Employee Cost and Remuneration to directors</td><td>849.07</td><td>960.85</td><td>13.16%</td></tr></table>				Year	2013-14	2014-15	Increase	Company's performance [EBITDA]	2500.55	1645.11	(34.21%)	Employee Cost and Remuneration to directors	849.07	960.85	13.16%												
Year	2013-14	2014-15	Increase																										
Company's performance [EBITDA]	2500.55	1645.11	(34.21%)																										
Employee Cost and Remuneration to directors	849.07	960.85	13.16%																										
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	<table><tr><th>Year</th><th>2013-14</th><th>2014-15</th><th>Increase</th></tr><tr><td>Company's performance [EBITDA]</td><td>2500.55</td><td>1645.11</td><td>(34.21%)</td></tr><tr><td>Chairman</td><td>40.00</td><td>20.00</td><td>(50.00%)</td></tr><tr><td>Director</td><td>8.00</td><td>14.00</td><td>75.00%</td></tr><tr><td>Company Secretary</td><td>3.18</td><td>3.31</td><td>4.01%</td></tr><tr><td>Total remuneration paid to KMPs</td><td>51.18</td><td>37.31</td><td>(27.10%)</td></tr></table>				Year	2013-14	2014-15	Increase	Company's performance [EBITDA]	2500.55	1645.11	(34.21%)	Chairman	40.00	20.00	(50.00%)	Director	8.00	14.00	75.00%	Company Secretary	3.18	3.31	4.01%	Total remuneration paid to KMPs	51.18	37.31	(27.10%)
Year	2013-14	2014-15	Increase																										
Company's performance [EBITDA]	2500.55	1645.11	(34.21%)																										
Chairman	40.00	20.00	(50.00%)																										
Director	8.00	14.00	75.00%																										
Company Secretary	3.18	3.31	4.01%																										
Total remuneration paid to KMPs	51.18	37.31	(27.10%)																										
7.	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year	<table><tr><th>Details as on 31st March</th><th>2013-14</th><th>2014-15</th><th>Increase</th></tr><tr><td></td><td></td><td></td><td></td></tr></table>				Details as on 31 st March	2013-14	2014-15	Increase																				
Details as on 31 st March	2013-14	2014-15	Increase																										

S.No	Particulars	Details			
		Year	2013-14	2014-15	Increase
	and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies;	No of Shares	40227600	40227600	-
		Share Price	17.00	20.90	22.94%
		EPS	2.81	1.98	(29.54%)
		PE Ratio (based on audited results)	6.05	10.56	74.55
		Company's Market Cap	6838.69 lakhs	8407.57 lakhs	22.94
<u>For Listed Companies</u>					
		Share Price at the Last Public Offer	Share price as at 31 st March 2015	Increase	
			20.90	N.A.	
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Details	2013-14	2014-15	Increase
		Employee cost (Excluding remuneration to Directors)	800.18	925.05	15.60
		Remuneration to Directors	48.00	34.00	(29.17%)

S.No	Particulars	Details
9.	The key parameters for any variable component of remuneration availed by the directors;	Every year, the board fixes the Commission payable to Directors based on the performance of the Company, within the statutory limit and approved by the members.
10.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	Not applicable
11.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes at all times.

Particulars of employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

NIL

Annexure VII

Company's Philosophy -CSR Policy:

Corporate Social Responsibility (CSR) Policy of VTM Ltd.

Corporate Social Responsibility is strongly connected with the principles of Sustainability; An organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of VTM Ltd. to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

VTM Ltd. recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavors to make CSR a key business process for sustainable development. VTM Ltd. is responsible to continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society.

Our company is committed towards aligning with nature; and has adopted eco-friendly practices.

As a corporate entity, the company is committed towards sustainability. The company strive for a valuable approach with an objective that each business decision takes into account it's social and environmental impacts and plans.

The Philosophy:

All CSR activities shall be driven by the core value of Inclusion. VTM is committed to ensure that all developmental activities/ initiatives undertaken are accessible to the Needy segments

This would reflect particularly in the field of education, and healthcare

The core guiding principles have been:

- a) to lay a foundation for an inclusive society that provides people with access to higher education and
- b) to ensure an equitable access to resources for the needy.

With the advent of The Companies Act 2013 particularly Section 135 of the Act, VTM Ltd. shall undertake following activities under its CSR programme :

1. Eradicating hunger, poverty, promoting preventive healthcare and sanitation and making available safe drinking water;
2. Promotion of Education, including special education and employment enhancing vocation skills especially among children, women and livelihood enhancement projects;
3. Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environment sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water;
5. Rural development projects
6. Contribution to the prime minister's national relief fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of SC, ST, OBCs, minorities and women.
7. Contributions or funds provided to technology incubators located within academic institutions approved by the Central Government.

Employee participation is an important part of developing responsible citizenship. Our company encourages and motivates employees to spend time volunteering on issues of social interest.

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Act, 2013

1. (a) A brief outline of the company's CSR policy:

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the rural communities at large.

(b) Overview of projects or programs proposed to be undertaken:

Focus areas relate to economic development, quality education, health care, conservation of environment and the creation, maintenance of infrastructure.

(c) Web-link to the CSR policy and projects or programs - <http://www.vtmill.com/CSR-Policy.pdf>.

2. Composition of the CSR Committee.

Name of the Director	Designation	Status
1. Sri T. Kannan	Chairman and Director	Chairman
2. Sri K. Thiagarajan	Non-Executive Director	Member
3. Sri RM. Somasundaram	Independent Director	Member

3. Average net profit of the Company for last three financial years

Rs. 1304.00 lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 5 above)

Rs. 26.08 lakhs

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year

Rs. 26.08 lakhs

(b) Amount unspent, if any

Not Applicable

c. Manner in which the amount spent during the financial year is detailed below.

1	CSR Project or activity identified - Reference to Item No. to Schedule VII	<p>(i) Eradicating hunger, poverty, promoting preventive healthcare and sanitation and making available safe drinking water;</p> <p>(ii) Promotion of Education, including special education and employment enhancing vocation skills especially among children, women and livelihood enhancement projects;</p> <p>(iii) Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups;</p> <p>(iv) ensuring environment sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water;</p> <p>(v) rural development projects</p>
2	Sector in which the Project is covered	Promotion of Education and Infrastructure
3	<p>Areas in which Projects / Programmes undertaken:</p> <p>a) Local Area / Others:</p> <p>b) State & district :</p>	<p>Other</p> <p>Tamil Nadu : Madurai District</p>
4	Amount outlay (budget) project or program-wise:	Rs.150.87 Lakhs
5	Amount spent on the projects or programmes:	Rs. 27.00 Lakhs
	Sub-heads:	
	Direct expenses On projects / programs:	Rs.27.00 Lakhs
	Overheads:	
6	Cumulative expenditure upto the reporting period:	Rs.27.00 Lakhs
7	Amount spent through implementing Agency -Thiagarajar College of Engineering, Madurai.	Rs.27.00 Lakhs

6. In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

- Not applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

To discharge the duties cast under provisions of the Act, members of the CSR Committee visit the place where the project is undertaken. Chairman also has regular reviews of the progress made and the work done.

For and on behalf of the Board

T.Kannan
Chairman and Director and
Chairman of CSR Committee

Annexure VIII : Remuneration Policy

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Non-executive Directors of the Company out of which at least one-half are Independent Directors and as such complies with the obligations of the Companies Act, 2013 and the corporate governance requirements of the Listing Agreement with stock exchanges. The Chairperson of this Committee is an Independent Director. The Chairperson of the Board of Directors is a member of this Committee but will not Chair this Committee.

The Committee operates under formal terms of reference which were approved by the Board on April 29, 2014. These terms of reference have been prepared in a manner to generally maintain overall continuity with the nomination and remuneration policies of the company while complying with the Companies Act, 2013 and the Listing Agreements with stock exchanges.

Role and Responsibilities

The Committee's foremost priorities are to ensure that the Company has the best possible leadership and maintains a clear plan for both Executive and Non-executive Director succession. The Committee also reviews senior management succession. Its prime focus is therefore on the strength of the Board and the senior management team and ensuring that appointments are made on merit, against objective criteria, selecting the best candidate for the post. The Committee advises the Board on the appointments, retirements and resignations from the Board and its Committees. It also advises the Board on similar changes to the senior management of the Company.

The Committee and its members are empowered to obtain outside legal or other independent professional advice, at the cost of the Company, in relation to its deliberations and to secure the attendance at its meetings of any employee or other parties it considers necessary.

Criteria for appointments and independence of Directors

When considering appointments to the Board and its Committees, the Nomination and Remuneration Committee will draw up a specification for the role taking into consideration the balance of skills, knowledge and experience of its existing members, the diversity of the Board and the Company's ongoing requirements. The Company believes that diversity underpins the successful operation of an effective Board and embraces diversity as a means of enhancing the business.

The recruitment process then focuses on appointing candidates who meet the criteria, who have the relevant professional knowledge, professional qualifications and experience. Successful candidates are likely to have demonstrable leadership qualities and interpersonal communication skills, act with integrity and have international business exposure.

Care is taken to ensure that all proposed appointees have sufficient time available to devote to the role, are compliant with the rules, policies and Values of our Company and do not have any conflicts of interest.

On appointments or promotions the Committee will typically use the Remuneration Policy of the Company to determine ongoing remuneration. However, the Committee retains the discretion to make appropriate remuneration decisions outside the Standard Policy to meet specific circumstances.

Remuneration Policy

The overarching philosophy for remuneration within the company is to attract, retain and motivate individuals of the calibre necessary to successfully implement the Company's business strategy. In particular, this means ensuring that incentive plans are appropriate to encourage enhanced performance and to avoid rewarding underperformance. In viewing and setting Company's remuneration policy, the Committee seeks to balance the interests of its employees and those of its stakeholders, to support Company strategy and foster a high performance culture, where a meaningful portion of remuneration is performance linked.

a) Remuneration Policy for Non-executive Directors

Non-executive Directors are entitled to sitting fees for attending meetings of the Board or its Committees at rates which are within the limits prescribed under the Companies Act, 2013. They are also entitled to commission on net profits, as determined by the Board from time to time, not exceeding 3% of the net profits of the Company for that year. The level of remuneration is set to attract and retain Non-executive Directors of the necessary skill and experience by offering them market competitive remuneration. The Chairman of the Board receives higher commission than the other Non-executive Directors. A Non-executive Chairman may be entitled to maintain a Chairman's Office at the Company's expense.

Non-executive Directors do not participate in Board discussions which relate to their own remuneration. They receive reimbursement of reasonable expenses incurred in attending the Board, Committee and other ad hoc meetings.

None of the Non-executive Directors is entitled to receive compensation for loss of office at any time or participate in any retirement plans.

Non-executive Independent Directors are appointed in compliance with the provisions of the Companies Act 2013 and must adhere to the Code for Independent Directors laid down under Schedule IV to the Companies Act, 2013 and retain their independence during the entire tenure of appointment as an Independent Director.

The terms of service of Non-executive Independent Directors are contained in letters of appointment issued to them after their appointment at a general meeting of the Company. The current policy for Non-executive Independent Directors of the Company is to serve for a maximum period of two terms of five years each, with review at the end of the first five year term, subject always to mutual agreement and annual performance evaluation.

Remuneration is paid subject to deduction of Income Tax at source and payment of applicable Service Tax.

b) Remuneration to senior management personnel

An appropriate level of remuneration is set to ensure that the Company is able to recruit and retain senior management with the necessary skills, professional qualifications, experience, international exposure and compliance with the rules and policies of the Company. Market competitive remuneration is offered to individuals reflecting their experience, role and contribution within the Company. The individual's performance is reviewed from time to time with changes in remuneration normally. In considering any increase in base salary the Committee will mainly consider the role, changes in job scope, responsibility and complexity and the need to maintain market competitiveness. Total remuneration package is designed to provide an appropriate balance between fixed and variable components with a focus on long term variable pay so that strong performance is incentivised but without encouraging excessive risk taking.

Remuneration arrangements of senior management personnel consist of the same elements as those of other employees i.e. Basic Salary, HRA and other allowances, retirement benefits (i.e. provident fund and gratuity as per the Company's Schemes applicable to all employees) and perquisites as per Rules of the Company applicable to all employees according to their seniority including corporate club membership, insurance, car and fuel perquisites.

As applicable to all employees, senior management personnel are entitled to avail themselves of 30 days leave in a year and un-availed leave can be accumulated as per the rules of the Company up to a maximum of 30 days.

Date : April, 30, 2015

Annexure IX : Chairman's Certificate**ANNUAL CERTIFICATE UNDER CLAUSE 49(II)(E) OF LISTING
AGREEMENTS WITH STOCK EXCHANGES****DECLARATION**

As required under Clause 49(II)(E) of the Listing Agreements with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have complied with the Code of Conduct of the Company for the year ended March, 31, 2015.

T.Kannan
Chairman

Independent Auditor's Report

To the Members of VTM Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of VTM Limited ('the Company'), which comprise the balance sheet as at March 31, 2015, the statement of Profit and Loss and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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 and presentation 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

Auditor's Responsibility

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 and the Rules made thereunder.

...2

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.

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 judgment, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements together with the notes thereon 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,

- a) In case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015,
- b) In case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date and
- c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

...3

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we state that:
 - (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (ii)
 - (a) The stocks of finished goods, stores and spare parts and raw material have been physically verified by the management at reasonable periods.
 - (b) In our opinion, the procedures of physical verification of the aforesaid stock followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) No discrepancies have been noticed on such verification of stock of finished goods and raw materials. The discrepancies noticed on such verification of stores and spare parts were not material compared to Book stock and the same have been properly dealt within the books of account.
 - (iii) The Company has not granted loans to bodies corporate, firms or other parties as listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of raw materials, stores, plant and machinery, equipment and other assets, and for sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.

...4

- (v) The Company has not accepted any deposits during the year ended March 31, 2015.
- (vi) The Company is not required to maintain cost records for the financial year 2014-2015 in terms of section 148(1) of the Act and the rules made thereon. However the company is maintaining cost records.
- (vii)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (b) The company has disputed tax demands as at March 31, 2015 as per Note 2 to Financial Statements.
 - (c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) The Company did not have any outstanding dues to financial institutions, banks during the year.
- (x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, The Company had applied Term loans for the purpose for which such loans were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

2. 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) In our Opinion, the Directors have prepared the aforesaid standalone financial statements on a going concern basis.
- (f) On the basis of the written representations received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; 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:
 - i. the Company has disclosed the impact of pending litigations on its financial position in as per Note 2 to the financial statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Madurai,
April 30, 2015.

For **Peri Thiagraj & Co.,**
Chartered Accountants
Firm Registration No.002636S

T. Kalairaj
Partner
Membership No.023840

BALANCE SHEET AS AT MARCH 31, 2015

					(Rs in Lakhs)
Particulars	Note No.	As at 31-03-2015	As at 31-03-2014		
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	402.28	402.28		
(b) Reserves and Surplus	2	11,514.56	10,945.31	11,347.59	
			11,916.84		
(2) Non - Current liabilities					
(a) Long term borrowings	3	526.70	163.40		
(b) Deferred tax liabilities (Net)	4	512.64	480.64		
(c) Other long term liabilities	5	-	-		
(d) Long term provisions	6	0.00	13.73	657.77	
			1,039.34		
(3) Current Liabilities					
(a) Short term borrowings	7	173.32	16.94		
(b) Trade payables	8	217.57	313.29		
(c) Other current liabilities	9	84.17	95.64		
(d) Short term provisions	10	433.32	442.11	867.98	
			908.38		
TOTAL			13,864.56	12,873.34	
II. ASSETS					
(1) Non - Current assets					
(a) Fixed Assets					
(i) Tangible assets	11	4,682.01	4,925.40		
(ii) Capital work in progress		200.34	200.34		
		4,882.35	5,125.74		
(b) Non - current investments	12	37.87	37.87		
(c) Long term loans and advances	13	216.75	54.18		
			5,136.97	5,217.79	
(2) Current Assets					
(a) Current Investments	14	3,327.48	1,700.00		
(b) Inventories	15	2,343.10	2,343.48		
(c) Trade receivables	16	1,729.26	1,595.22		
(d) Cash and cash equivalents	17	937.23	1,625.73		
(e) Short term loans and advances	18	390.52	391.12		
			8,727.59	7,655.55	
TOTAL			13,864.56	12,873.34	

The notes attached form an integral part of the Balance Sheet

For and on behalf of the Board

Kappalur,
Madurai,
April 30, 2015.

T.KANNAN
Chairman

RM.SOMASUNDARAM
Director

S.PARAMASHIVAN
Company Secretary

In Accordance with our Report attached
For **PERI THIAGRAJ & Co.,**
Chartered Accountants
Firm Registration No.002636S

T. KALAIRAJ
Partner
Membership No.023840

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

		(Rs in Lakhs)	
Particulars	Note No.	Year ended 31-03-2015	Year ended 31-03-2014
I. Revenue from Operations	19	16782.27	16915.82
II Other Income	20	318.89	251.06
III Total revenue (I + II)		<u>17101.16</u>	<u>17166.88</u>
IV Expenses			
Cost of materials consumed	21	12755.04	12768.55
Changes in inventories of finished goods, work in progress	22	<u>44.46</u>	<u>(630.76)</u>
		12799.50	12137.79
Employees benefits expense	23	925.05	800.18
Finance costs	24	17.63	25.06
Depreciation and amortization expense	25	519.05	895.21
Other expenses	26	1731.51	1728.36
Total Expenses		<u>15992.74</u>	<u>15586.60</u>
V Profit/(Loss) before tax (III-IV)		1108.42	1580.28
VI Tax expense:			
(1) Current tax		280.00	579.00
(2) Tax in respect of earlier Years		(0.03)	(32.80)
(3) Deferred tax		<u>32.00</u>	<u>(96.82)</u>
		311.97	449.38
VII Profit/(Loss) for the period		<u>796.45</u>	<u>1130.90</u>
VIII Earning per equity share:			
Face Value Per share		1.00	1.00
(1) Basic		1.98	2.81
(2) Diluted		1.98	2.81

The notes attached form an integral part of the Statement of Profit and Loss

For and on behalf of the Board

Kappalur,
Madurai,
April 30, 2015.

T.KANNAN
Chairman

RM.SOMASUNDARAM
Director

S.PARAMASHIVAN
Company Secretary

In Accordance with our Report attached
For **PERI THIAGRAJ & Co.,**
Chartered Accountants
Firm Registration No.002636S

T. KALAIRAJ
Partner
Membership No.023840

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Rs in Lakhs)

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Cash flows from operating activities		
Profit before taxation	1108	1580
Adjustments for:		
Depreciation and amortization expense	519	895
Interest received	(81)	(208)
Dividends received	(52)	(1)
Interest expenses	18	25
	<u>404</u>	<u>711</u>
	1512	2291
(Increase)/ decrease in Long Term Borrowings	363	(16)
Increase/ (decrease) in Trade payables	(96)	94
(Increase)/ decrease in Other Current Liabilities	(11)	(16)
(Increase)/ decrease in Short Term Provisions	14	2
(Increase)/ decrease in Current Investments	(3327)	(1700)
(Increase)/ decrease in Inventories	0	(606)
(Increase)/ decrease in Trade and other receivables	(134)	472
(Increase)/ decrease in Other Current Assets	1	11
Sale of Investments	1700	0
	<u>(1490)</u>	<u>(1759)</u>
	22	532
Income taxes paid	<u>347</u>	<u>542</u>
<i>Net cash from operating activities</i>	<u>(325)</u>	<u>(10)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(328)	(240)
Proceeds from sale of property, plant and equipment	7	2
Purchase of investments	-	-
Interest received	81	208
Dividend received	<u>52</u>	<u>1</u>
<i>Net cash from investing activities</i>	<u>(188)</u>	<u>(30)</u>
Cash flows from financing activities		
Capital Subsidy received from TUF Scheme	124	-
Repayment of short term borrowings	(156)	(16)
(Increase)/ decrease in Long Term Loans & Advances	109	(76)
Interest paid	18	25
Dividend paid	<u>0</u>	<u>0</u>
<i>Net cash from financing activities</i>	<u>94</u>	<u>(67)</u>
Net Increase/(decrease) in cash and cash equivalents	<u>(688)</u>	<u>27</u>
Cash and cash equivalents at beginning of reporting period	<u>1626</u>	<u>1599</u>
Cash and cash equivalents at end of reporting period	<u>937</u>	<u>1626</u>
Cash & Cash equivalents:		
Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments.		
cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet.		
Cash on hand and bank balances	937	1626
Short term investments	-	-
Cash and cash equivalents as reported	937	1626
Effect on exchange rate changes	-	-
Cash and cash equivalents as restated	<u>937</u>	<u>1626</u>

For and on behalf of the Board

Kappalur,
Madurai,
April 30, 2015.

T.KANNAN
Chairman

RM.SOMASUNDARAM
Director

S.PARAMASHIVAN
Company Secretary

In Accordance with our Report attached
For **PERI THIAGRAJ & Co.,**
Chartered Accountants
Firm Registration No.002636S

T. KALAIRAJ
Partner
Membership No.023840

To

The Board of Directors,
VTM LIMITED

We have examined the above cash flow statement of VTM Limited for the year ended 31st March, 2015. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 30th April, 2015 to the members of the Company.

Madurai,
April 30, 2015.

For **Peri Thiagraj & Co.,**
Chartered Accountants
Firm Registration No.002636S
T. Kalairaj
Partner
Membership No.023840

NOTES TO FINANCIAL STATEMENTS

1. SHARE CAPITAL :

(Rs in Lakhs)

Particulars	As at 31-03-2015		As at 31-03-2014	
	Number	Value	Number	Value
Authorized:				
Equity shares of Re. 1/- each	100,000,000	1,000.00	100,000,000	1,000.00
Issued, subscribed and fully paid up:				
Equity shares of Re. 1/- each	40,227,600	402.28	40,227,600	402.28
Reconciliation of Equity shares outstanding at the beginning and at the end of the year:				
No. of shares	40,227,600	402.28	40,227,600	402.28
Add: Additional shares issued during the year	-	-	-	-
Less: Redeemed/Bought back during the year	-	-	-	-
	40,227,600	402.28	40,227,600	402.28

Other Information:

- The company has issued only one class of shares referred to as equity shares having paid up value of Re 1/- per share and each shareholder is entitled to one vote per share.
- The company declares dividend on equity shares. In the event of declaration of interim dividend, the same is as per decision of the Board of Directors. Final dividend is proposed by Board of Directors and approved by the shareholders of the company at the Annual General Meeting.
- In the event of liquidation, shareholder will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportionate to the no. of equity share held by the shareholder.
- The Company has neither Holding nor any Subsidiary Company.
- During the last five years immediately preceding the date of Balance Sheet, the company has neither issued any shares as Bonus shares nor for consideration other than cash and has not bought back any shares.
- The Company splitted its Rs.10/- paid up shares into Re.1/- paid up shares in October, 2012.
- Equity shares include:

Particulars of equity share holders holding more than 5% of the total number of equity shares:

Sl No.	Shareholders	Financial Year 2015		Financial Year 2014	
		Shares	Amount Rs.	Shares	Amount Rs.
a.	T. Kannan, Partner, Guruvayoorappan Investments	7,520,000	7520000.00	7,520,000	7520000.00
b.	T. Kannan, Partner, Avittam Investments	7,500,000	7500000.00	7,500,000	7500000.00
c.	T. Kannan, Partner, Karumuttu Investments	6,190,000	6190000.00	6,190,000	6190000.00
d.	M/s. Thiagarajar Mills Private Limited	2,678,000	2678000.00	2,678,000	2678000.00

NOTES TO FINANCIAL STATEMENTS

2. RESERVES AND SURPLUS

: (Rs in Lakhs)

Particulars	As at	
	31-03-2015	31-03-2014
Capital Reserve:		
Balance as per beginning of the year	0.62	0.62
Balance at the end of the year	0.62	0.62
TUF Capital Subsidy Reserve:		
Balance as per beginning of the year	-	-
Add: Addition during the year	124.48	-
Balance at the end of the year	124.48	-
Revaluation Reserve:		
Balance as per beginning of the year	51.02	51.30
Less: Utilized during the year	0.13	0.28
Balance at the end of the year	50.89	51.02
General Reserve		
Balance as per beginning of the year	10,620.00	9,810.00
Less: Transitional Adjustment for Depreciation prior to 01-04-2014 (Vide Note No.3 - AS-6)	(45.09)	-
Add: Addition during the year	500.00	810.00
Balance at the end of the year	11,074.91	10,620.00
Surplus in the statement of Profit and Loss		
Balance as per beginning of the year	273.67	282.21
Add: Profit for the year	796.45	1,130.90
	1,070.12	1,413.11
Less: Appropriations		
Transfer to General Reserve	(500.00)	(810.00)
Dividend @ Re.0.63 (0.70) per Re.1/- share	(253.43)	(281.59)
Tax on Dividend	(53.03)	(47.85)
Net surplus in the statement of profit and loss	263.66	273.67
TOTAL RESERVES & SURPLUS	11,514.56	10,945.31

NOTES TO FINANCIAL STATEMENTS**3 LONG TERM BORROWINGS**

(Rs in Lakhs)

Particulars	As at 31-03-2015	As at 31-03-2014
1) Secured Loans:		
Term Loans - from Banks	426.00	62.70
	<u>426.00</u>	<u>62.70</u>
2) Unsecured Loans:		
Lease Rent Advance	100.70	100.70
	<u>100.70</u>	<u>100.70</u>
3) Total long term borrowings (1+2)	526.70	163.40
Additional Information :		
Term loan under TUF Scheme availed from State Bank of India by securing first charge on the specific assets procured under TUF Scheme repayable in 5 years on half yearly basis. The repayment of TUF loan commenced from October, 2014.		
4 Deferred tax liability:		
On account of depreciation on fixed assets	512.64	480.64
Total	<u>512.64</u>	<u>480.64</u>
5 Other Long term liabilities		
a) Trade Payables	-	-
Total	<u>-</u>	<u>-</u>
6 Long term Provisions		
a) Provisions for employee benefits	-	-
b) Others -provision for taxation (Net of Taxes)	-	13.73
Total	<u>-</u>	<u>13.73</u>

NOTES TO FINANCIAL STATEMENTS

7 Short term Borrowings :

(Rs in Lakhs)

Particulars	As at 31-03-2015	As at 31-03-2014
1) Secured Loans:		
a) Loans repayable on demand		
- from Working Capital Loans from a Bank	0.00	0.00
- Term Loans from Banks	172.00	15.67
Total	172.00	15.67
2) Unsecured Loans:		
a) Other Loans and advances		
- Security Deposit	1.32	1.27
Total	1.32	1.27
Total	173.32	16.94

Additional Information:

- Term loan under TUF Scheme availed from State Bank of India by securing first charge on the specific assets procured under TUF Scheme.
- Cash Credit and other facilities are secured against hypothecation of stock of raw materials, goods in process, finished goods, stores.
- No loans have been guaranteed by Directors or Others.

8 Trade Payables

Other than Micro, Small and Medium Enterprises	217.57	313.29
Total	217.57	313.29

9 Other current liabilities:

a) Unpaid dividends	50.17	46.32
b) Lease Rent Advance	0.00	1.32
c) Remuneration Payable to Non Whole Time Directors	34.00	48.00
Total	84.17	95.64

10 Short term provisions:

a) Provision for employee benefits	126.54	112.18
b) Others - Audit Fees & Rent payable	0.32	0.49
Proposed Dividend	253.43	281.59
Dividend Distribution Tax	53.03	47.85
Total	433.32	442.11

Additional Information:

There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2015 which is on the basis of such parties having been identified by the management.

NOTES TO FINANCIAL STATEMENTS

11. Fixed Assets:

(Rs in Lakhs)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01-04-2014	Additions for the year	Deductions during the year	As at 31-03-2015	As at 01-04-2014	Transitional Adjustment upto 31-03-14	Withdrawn	For the year	As at 31-03-2015	As at 31-03-2014
<u>Tangible Assets</u>										
<u>Own assets</u>										
Land	90.39	0.00	0.00	90.39	0.00	0.00	0.00	0.00	90.39	90.39
Buildings	1462.08	1.93	0.00	1464.01	709.68	(280.85)	0.00	46.53	988.65	1033.25
Plant & Machinery	14109.09	314.80	10.58	14413.31	10216.64	369.84	10.06	455.17	3381.72	3522.61
Furniture & Fixtures	86.22	5.71	0.00	91.93	82.56	(11.16)	0.00	2.50	18.03	14.82
Vehicles	151.72	0.00	10.37	141.35	105.71	(33.17)	3.69	12.67	59.83	79.18
Office equipment	19.05	5.71	0.30	24.46	6.70	0.43	0.23	2.31	15.25	11.92
<u>Assets taken on finance lease</u>										
Land	128.14			128.14	0.00	0.00			128.14	128.14
TOTAL	16046.69	328.15	21.25	16353.99	11121.29	45.09	13.98	519.18	4682.01	4880.31
Capital Work-in-Progress	200.34			200.34					200.34	200.34
Total for the year	16247.03	328.15	21.25	16553.93	11121.29	45.09	13.98	519.18	4882.35	5080.65

Less: Transferred to Revaluation Reserve

0.13

NOTES TO FINANCIAL STATEMENTS

12. NON CURRENT INVESTMENTS (AT COST) :

(Rs in Lakhs)

Details of Investments	Name of the company	No of Shares	As at 31-03-2015	As at 31-03-2014
a) Investments in Equity Instruments:				
I) Associates-Trade				
Fully paid up (Unquoted)	Thiagarajar Mills Private Limited	70140	4.22	4.22
	Colour Yarns Limited	270000	27.00	27.00
ii) Others - Non-Trade				
Fully paid up (Quoted)	Integrated Hi-Tech Limited	1800	0.18	0.18
	Telesys Software Limited	19000	2.85	2.85
	Multi Commodity Exchange of India Ltd.,	69	0.71	0.71
iii) Fully paid up (Unquoted)				
	SIMA Textile Processing Centre Ltd.	20000	2.00	2.00
	Suryadev Alloys and Power Private Ltd.,	775	0.91	0.91
Total			37.87	37.87

Additional Information:

1) Aggregate value of quoted investments:		
Cost	3.74	3.74
Market Value	1.47	1.04
2) Aggregate value of unquoted investments:		
Cost	34.13	34.13

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	As at 31-03-2015	As at 31-03-2014
13 LONG TERM LOANS AND ADVANCES:		
i) Security Deposits	149.60	52.81
ii) Loans & advances other than related parties	13.94	1.37
iii) Others -provision for taxation (Net of Taxes)	53.21	-
	<u>216.75</u>	<u>54.18</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	216.75	54.18
iii) Doubtful	-	-
Total	<u>216.75</u>	<u>54.18</u>
2) a) Debts due by directors or other officers of the company	-	-
b) Debts due by firm or private company in which any director is a partner or a director	-	-

NOTES TO FINANCIAL STATEMENTS

14. CURRENT INVESTMENTS (AT COST) :

(Rs in Lakhs)

	Details of Investments	Name of the company	No of Units	As at 31-03-2015	No of Units	As at 31-03-2014
<u>Investment in Mutual Fund (Fully Paid)</u>						
1	Kotak FMP Series 158-Growth		1500000	150.00		0.00
2	HDFC Income Fund -Growth		67476072	1200.00		0.00
3	Reliance Dynamic Bond Fund - Growth		2901333	527.48		0.00
4	Reliance Income Fund - Growth		1768488	800.00		0.00
5	Birla Sunlife Income Plus - Growth		811948	500.00		0.00
6	UTI Fixed Term Income Fund Series XVII - XVIII 366 Days Growth		1500000	150.00	1000000	100.00
7	HDFC FMP 371 D December 2013 (1) Series 28 - Regular Growth			0.00	1000000	100.00
8	HDFC FMP 371 D December 2013 (1) Series 29 - Regular Growth			0.00	2000000	200.00
9	HDFC FMP 371 D January 2014 (2) Series 29 - Regular Growth			0.00	3000000	300.00
10	Birla Sunlife Fixed Term Plan Series JQ 368 Days Growth			0.00	3000000	300.00
11	Tata Fixed Maturity Plan Series 45 Scheme C - Plan A Growth			0.00	3000000	300.00
12	Reliance Fixed Horizon Fund XXV Series 2 Growth			0.00	3000000	300.00
13	ICICI Prudential Mutual Fund FMP Series 369 Days Growth			0.00	1000000	100.00
				<u>3,327.48</u>		<u>1,700.00</u>

Additional Information:

Aggregate value of quoted investments:

Cost	3,327.48	1,700.00
Market Value	3,448.97	1,745.07

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	As at 31-03-2015	As at 31-03-2014
15 Inventories:		
i) Raw materials - Yarn	857.00	824.66
ii) Work in progress - Yarn	417.77	404.02
Work in progress - Cloth	77.35	47.86
iii) Finished goods - Cloth	836.96	906.01
- Waste	1.00	5.91
iv) Stores and spares	153.01	155.01
v) Loose tools	0.01	0.01
Total	2,343.10	2,343.48
16 Trade receivables:		
i) Trade receivables exceeding six months	49.24	97.17
ii) others	1,680.02	1,498.05
Total	1,729.26	1,595.22
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	1,729.26	1,595.22
iii) Doubtful	-	-
Total	1,729.26	1,595.22
2) a) Debts due by Directors or other officers of the company	NIL	NIL
b) Debts due by firm or private company in which any Director is a partner or a director	NIL	NIL
17 Cash and cash equivalents:		
i) Balances with banks		
- in Current Accounts	285.25	478.86
- in unpaid dividend accounts	50.17	46.32
- in deposit accounts not exceeding 12 months maturity	600.00	1,100.00
ii) Cash on hand	1.81	0.55
Total	937.23	1,625.73
18 Short term loans and advances:		
Loans and advances - Other than related parties	390.52	391.12
Total	390.52	391.12

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)		
Particulars	Year ended 31-03-2015	Year ended 31-03-2014
19 REVENUE FROM OPERATIONS:		
i) Sale of products		
Cloth	16587.79	16715.27
Yarn and Cloth Waste	36.12	27.49
Total	<u>16623.91</u>	<u>16742.76</u>
ii) Sale of services	38.66	122.86
iii) Other operating revenues	119.70	50.20
	<u>16782.27</u>	<u>16915.82</u>
20 Other Income:		
i) Interest income	80.67	207.73
ii) Dividend Income		
From Long Term Investments	52.47	0.93
From Current Investments	0.26	3.96
iii) Profit on sale of fixed assets (Net)	159.05	0.35
iv) Profit on sale of Investments	26.44	38.09
v) Other non operating income		
	<u>318.89</u>	<u>251.06</u>
21 Cost of materials consumed:		
i) Consumption of raw materials	11873.90	11997.08
ii) Consumption of stores and spare parts	831.21	707.50
iii) Bleaching and Processing Charges - Cloth	49.93	63.97
	<u>12755.04</u>	<u>12768.55</u>
22 Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year		
i) <u>Work in progress:</u>		
Cloth in Process	77.35	47.86
	<u>77.35</u>	<u>47.86</u>
Total		
ii) <u>Finished goods</u>		
Cloth	836.96	906.01
Waste	1.01	5.91
	<u>837.97</u>	<u>911.92</u>
Total		
	<u>915.32</u>	<u>959.78</u>
Stocks at the beginning of the year		
i) <u>Work in progress:</u>		
Cloth in Process	47.86	47.63
Total	<u>47.86</u>	<u>47.63</u>
iii) <u>Finished goods</u>		
Cloth	906.01	279.39
Waste	5.91	2.00
	<u>911.92</u>	<u>281.39</u>
Total		
	<u>959.78</u>	<u>329.02</u>
Changes in inventories of finished goods, work in progress and stock in trade:	44.46	(630.76)

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)		
Particulars	Year ended 31-03-2015	Year ended 31-03-2014
23 Employee Benefits Expense:		
i) Salaries and wages	678.30	600.18
ii) Contribution to Gratuity Fund	18.11	0.00
iii) Contribution to provident and other funds	50.11	44.22
iv) Staff welfare expenses	178.53	155.78
	<u>925.05</u>	<u>800.18</u>
24 Finance Costs:		
i) Interest on Term Loan	10.35	9.08
ii) Interest - Banks	7.28	1.99
iii) Interest - Others	0.00	13.99
iv) Net (gain)/loss on foreign currency transaction	-	-
	<u>17.63</u>	<u>25.06</u>
25 Depreciation and amortization:		
i) Depreciation	519.05	895.21
ii) Amortization of intangible assets	-	-
	<u>519.05</u>	<u>895.21</u>
26 Other expenses:		
i) Power and fuel	977.29	895.76
ii) Rent	12.62	12.96
iii) Repairs to buildings	80.22	98.39
iv) Repairs to machinery	133.52	230.40
v) Insurance	10.41	11.92
vi) Rates and taxes	30.84	8.77
vii) Payment to the auditors		
- as auditor	0.28	0.27
- for Certification & Other Services	0.11	0.27
- for reimbursement of expenses	0.10	0.10
viii) Selling expenses	163.37	112.82
ix) Brokerage expenses	140.63	174.17
x) Loss on sale of fixed assets	1.48	0.01
xi) Loss on sale of Investments	0.14	-
xii) Donations	50.00	63.25
xiii) CSR Expenditure	27.00	-
xiv) Legal and professional charges	13.78	13.00
xv) Directors sitting fees & Travelling Expenses	1.80	0.89
xvi) Commission to non whole time directors	34.00	48.00
xvii) Miscellaneous Expenses	53.92	57.38
	<u>1731.51</u>	<u>1728.36</u>

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

	Particulars	Year ended 31-03-2015	Year ended 31-03-2014
27	ADDITIONAL INFORMATION:		
a)	Value of Imports calculated on CIF basis:		
i)	Raw Materials	0.00	0.00
ii)	Components and spare parts	211.61	124.92
iii)	Packing Materials	0.00	0.00
iv)	Capital goods	112.79	31.64
b)	Expenditure in foreign currency: (net of withholding tax)		
	Other matters - Commission	39.68	28.88
	- Travelling Expenses	0.00	2.00
c)	SI No Particulars	Amount % to total	Amount % to total
i)	Value of raw materials consumed		
a)	Imported	0.00	0.00
b)	Indigenous	11873.90	11997.08
ii)	Value of Stores and Spares consumed		
a)	Imported	240.41	166.43
b)	Indigenous	590.80	541.07
		<u>12705.11</u>	<u>12704.58</u>
d)	Details of non-resident shareholdings		
i)	Number of non-resident share holders	12	13
ii)	Number of shares held by non-resident shareholders	46324	41907
iii)	Amount remitted during the year in foreign currency on account of dividends as directed by the non-resident shareholders the amount of dividend has been remitted into bank account of the NRI in India. The amount so remitted in Rs. (excluding the amount transferred to unpaid dividend account)	20427	120610
e)	Earnings in foreign exchange:		
i)	Export of goods calculated on FOB basis	2725.28	1231.52
28	EARNINGS PER SHARE:		
	Profit for the year after tax	796.45	1,130.90
	Number of equity shares	40,227,600	40,227,600
	Face Value per share (Re./Rs.)	1.00	1.00
	Earning per share - Rs.	1.98	2.81

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	As at 31-03-2015	As at 31-03-2014
29 Contingent liabilities and Commitments:		
(to the extent not provided for)		
a) Contingent Liabilities:		
i) Letters of credit	0.00	0.00
ii) Tax demands & PF Arrears under disputes	389.93	254.43
The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.		
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0	0

Additional information:

Proposed dividends:	Amount per Re. 1/- share	Total Rs.	Amount per Re. 1/- share	Total Rs.
Amount of dividends proposed to be distributed to equity share holders	0.63	25,343,388	0.70	28,159,320

30. NOTES ON ACCOUNTS

1. Statement of Significant Accounting Policies:-

Basis of preparation of Financial Statements:

AS - 1 Disclosure of accounting policies

The financial statements have been prepared on the basis of going concern, under the historic cost convention, to comply in all the material aspects with applicable accounting principles in India, the accounting standards notified under the Companies Act, 1956 / Companies Act, 2013 as applicable.

AS - 2 Valuation of inventories

- a. Raw materials, components, stores and spares are valued at cost determined on weighted average basis. Work in process includes material cost and applicable direct overheads. Finished goods are valued at the aggregate of material cost and applicable direct and indirect overheads or market value whichever is lower.
- b. The Excise Duty is exempt on finished grey goods.
- c. There is no goods lying in customs bonded warehouses and hence the provision of duty does not arise.

AS - 3 Cash flow statements

Cash flow statement has been prepared under "Indirect Method".

AS - 4 Contingencies and Events occurring after the Balance Sheet Date

There are no contingencies and events after the Balance Sheet date that affect the financial position of the company. Contested liabilities are disclosed by way of a note.

AS - 5 Net profit or loss for the Year, prior period items and changes in accounting policies:

This is not applicable as there is no change in accounting policies.

AS - 6 Depreciation accounting

1. Upto March 31, 2014, depreciation has been provided in the accounts on the following basis, at the rates prescribed in Schedule XIV to the Companies Act, 1956.
 - (a) Plant and machinery other than Windmill:
 - i) On additions till 31st December 1977.
Under the written down value method.
 - ii) On additions from 1st January 1978.
Under straight line method at the rates specified in Clause (II) (I) (a).
 - (b) On all other Assets:
Under the written down value method.
 - (c) Windmill:

Under straight line method at the rates specified in Clause (II) (I) (b).
 - (d) In respect of additions during the year, full depreciation has been provided irrespective of the period of use. Similarly no depreciation to be provided on assets disposed off during the year.
2. Pursuant to the enactment of the Companies Act, 2013 (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II of the Act and depreciation is now provided based on the remaining useful life of the asset. As a result of these changes the depreciation charge for the year ended March 31, 2015 is lesser by Rs.157.32 Lakhs with a corresponding increase in the profit for the year.
3. Further in accordance with the transitional provision specified in Schedule II of the Act, the carrying amount of the Fixed Assets have been reviewed with the consequential impact relating to the period prior to April 1, 2014 amounting to Rs.45.09 Lakhs has been adjusted with the General Reserve.

AS - 7 Accounting for Construction contracts

The company is not engaged in any Construction business covered by this Standard.

AS - 8 Accounting for Research and Development

This standard stands withdrawn from the date of Accounting Standard 26 - Intangible Assets becoming mandatory.

AS - 9 Revenue recognition

- a) Income and expenditure are accounted on a going concern basis.
- b) Sales are recognized at the time of despatches of the goods to the customers and recorded net of sales returns and includes export benefits.
- c) Interest income is recognized on a time proportion basis taking into account the amount of outstanding and rate applicable.
- d) Dividend income: The company has derived income during the current year out of its investment and is recognized when the Company's right to receive dividend is established.
- e) Lease rentals in respect of assets given on "lease" are taken to Profit & Loss Account under the head of Non-operative income on the basis of the terms and conditions specified in the lease agreement.

AS - 10 Accounting for fixed assets

Fixed assets are stated at cost of acquisition which includes expenditure incurred upto the date the asset is put to use, less accumulated depreciation. Land is stated at cost or revaluation. Building is stated at cost or revaluation less depreciation. Plant and Machinery etc., are stated at cost less depreciation.

AS - 11 Accounting for effects in foreign exchange rates

- a. Purchase of imported components and spare parts are accounted based on retirement memos from banks.
- b. In respect of exports of cloth made on or before 31.03.2015, the amount due have been accounted at the rate at which the export bills were tendered to the Bank for Collection/ Discounting.
- c. There is no year end foreign currency denominated liabilities and receivables.

d. Derivative Transactions:

The Company uses forward exchange contracts to hedge its exposure in foreign currency.

As on March 31, 2015 there is no Foreign Exchange Contracts outstanding exposure.

No Mark to Market component arises as the Company do not have any outstanding contract as at the end of the year.

AS - 12 Accounting for Government Grants

During the year, the company has received a sum of Rs.124.48 Lakhs as Capital subsidy under Technology Upgradation Fund (TUF) Scheme, a fund constituted by the Ministry of Textiles, Government of India.

The company has treated the same as capital receipt.

Further the company is availing Duty Drawback subsidy and the same is treated as revenue receipt.

AS - 13 Accounting for Investments

Investments are stated at cost. Provision for diminution in the carrying cost of investments is made if such diminution is other than temporary in nature.

AS - 14 Accounting for amalgamation

This standard is not applicable to the company for the year under review.

AS - 15 Accounting for Retirement benefits

Gratuity with respect to defined benefit schemes are accrued based on actuarial valuations, carried out by an independent actuary as at the balance sheet date and being paid to Gratuity Fund.

The disclosures in respect of the Defined Benefit Gratuity Plan are given below:

		31.03.2015 (Rs. in Lakhs)	31.03.2014 (Rs. in Lakhs)
(i)	Changes in present value of obligations		
	Present value of obligations as at the beginning of the year	85.35	81.85
	Interest Cost	7.65	6.44
	Current Service Cost	6.26	5.96
	Benefits Paid	(-)2.38	(-)2.70
	Actuarial (gain)/loss on obligation	6.12	(-)6.19
	Present value of obligations as at the end of the year	103.03	85.36
(ii)	Changes in Fair Value of plan assets		
	Fair value of plan assets as at the beginning of the year	8.39	8.00
	Expected return on plan Assets	0.67	0.64
	Contributions	2.42	2.70
	Benefits Paid	(-)2.38	(-)2.70
	Actuarial Loss /(Gain) on Plan Assets	(-)0.67	(-)0.25
	Fair value of plan assets as at the end of the year	8.43	8.39
(iii)	Amounts to be recognized in the Balance Sheet		
	Present value of obligations as at the end of the year	103.03	85.36
	Fair Value of Plan Assets as at the end of the year	8.43	8.39
	Funded Status	(-)94.59	(-)76.97
	Net Asset / (Liability) recognized in the Balance Sheet	(-)94.59	(-)76.97
(iv)	Expense recognized in the Statement of Profit and Loss		
	Current Service Cost	6.26	5.96
	Interest Cost	7.66	6.44
	Expected return on Plan Assets	(-)0.67	(-)0.64
	Net Actuarial (gain)/loss on Plan Assets for the Period	6.79	(-)5.94
	Expense recognized in the statement of Profit and Loss	20.05	5.82
(v)	Percentage of major category of plan assets to total plan assets as at the end of the year		
	Bank Balance	8.18%	9.84%
	Others	91.82%	90.16%
(vi)	Assumptions:		
	Discount Rate	7.80%	9.10%
	Rate of Increase in compensation	4.00%	4.00%
	Rate of return (expected) on plan assets	8.00%	8.00%
	Attrition Rate	1.00%	1.00%

The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Provident Fund, Employees' State Insurance Scheme and defined contribution plans are charged to the Profit and Loss Account when incurred.

AS - 16 Borrowing cost

All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets which are capitalized.

AS - 17 Segment reporting

The Company operates in only one business segment viz. Textiles.

AS - 18 Related party disclosure

Disclosure is made as per the requirements of the standard and as per the clarifications issued by the Institute of Chartered Accountants of India.

AS - 19 Leases

This standard is not applicable as the company does not have any finance lease agreement in force.

AS - 20 Earnings per share

The Disclosure is made in the Profit and Loss account as per requirement.

AS - 21 Consolidated financial statements

There is no subsidiary company and the company has one Associate company and the investments are held only for investment purposes.

AS - 22 Accounting for taxes on income

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.

AS - 23 Accounting for Investments in Associates in Consolidated Financial Statements

This standard is not applicable to the company for the year under review.

AS - 24 Discontinuing Operations:

This is not applicable to the Company.

AS - 25 Interim Financial Reporting:

Quarterly financial results are published in accordance with the requirement of listing agreement with Stock Exchanges. The recognition and measurement principle as laid down in the standard have been followed in the preparation of these results.

AS - 26 Intangible Assets

The company has no intangible assets. Hence this is not applicable.

AS - 27 Financial Reporting of Interest in Joint Ventures

This standard is not applicable to the Company as the company does not have any joint venture.

AS - 28 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. Hence there is no impairment loss on the assets of the company requiring provisioning for the year under review.

AS - 29 Provisions, Contingent Liabilities and Contingent Assets

Contingent Liabilities are disclosed in Note No.2.

AS - 30 Financial Instruments: Recognition and Measurement

This standard is not applicable to the company for the year under review.

AS - 31 Financial Instruments: Presentation

This standard is not applicable to the company for the year under review.

AS - 32 Financial Instruments: Disclosures

This standard is not applicable to the company for the year under review.

2. Taxes:

The Company has disputed Tax and other liabilities as on March 31, 2015 as detailed below:-

Sl. No.	Name of the Statute	Nature of Dues	Amount Rs.	Assessment Year	Forum where dispute is pending
1.	TN VAT Act	Penalty	1,60,568/-	2001-2002	STAT, Tamil Nadu
2.	Income Tax Act	Tax Demand	1,04,30,581/-	2011-12	CIT Appeals, Madurai
3.	Income Tax Act	Tax Demand	2,26,97,250/-	2012-13	CIT Appeals, Madurai
4.	Provident Fund Act	Demand on inspection	31,19,156/-	Various years	Madurai Bench of Madras High Court
5.	Service Tax	Business Auxiliary Service	9,78,499/-	2006-07 to 2011-12	CESTAT, Chennai
6.	Service Tax	Penalty	16,07,956/-	2006-07 to 2011-12	CESTAT, Chennai

3. Related Party disclosures as required by Accounting Standard No.18 are given below:

(I) Where Control Exists:

Subsidiary Company: NIL

Associated Company: M/s. Colour Yarns Ltd.

(II) Other related parties with whom transactions have been entered into during the year:

(A) Key Managerial Personnel & their Relatives:

Sri T. Kannan

Dr.(Smt.) Uma Kannan

Sri K. Thiagarajan

Sri S. Paramashivan

(B) Enterprises in which Key Managerial Personnel and their Relatives have significant influence:

1. Thiagarajar Mills (P) Ltd.
2. Tamaraiselvi Finance Pvt. Ltd.
3. Thiagarajar Leasing Pvt. Ltd.
4. Sri T. Kannan (HUF)
5. Kalaithanthai Karumuttu Thiagaraja Chettiar Memorial Charitable Trust
6. Thiagarajar College of Engineering
7. Sundaram Textiles Ltd.
8. Samy Auto Service
9. Samy Automobiles
10. Murugan Security Services

(C) The following transactions were carried out with the related Parties in the ordinary course of business:

i. Details relating to parties referred in item I above.

(Rs. in Lakhs)

Availing of services 6.18

ii. Details relating to parties referred in item II-A above.

(Rs. in Lakhs)

a. Remuneration 37.31

b. Sitting Fees 0.42

iii. Details relating to parties referred in items II-C above.

(Rs. in Lakhs)

a. Purchase of Materials 4326.25

b. Sale of materials 45.18

c. Availing of services 57.80

d. Lending of services 105.78

4. The Deferred Tax liabilities in pursuance of Accounting Standard 22 issued by the Institute of Chartered Accountants of India is as stated below:

(Rs. in lakhs)

	As on 31.3.2014	During the year	As at 31.3.2015
Deferred Tax Liabilities: Difference between book And Tax depreciation	480.64	32.00	512.64

PROXY FORM**VTM LIMITED**

(CIN : L17111TN1946PLC003270)

Regd. Office : Sulakarai, Virudhunagar - 626 003

Email : office@tmills.com; Website : www.vtmill.com

Phone : (04562) 234800/234801

Form No.MGT-II

PROXY FORM

Name of the member(s) :

Registered Address :

E-mail Id :

Folio / DP ID-Client ID No :

I/We being the member(s) of shares of the above named Company hereby appoint:

(1) Name Address
Email Id Signature or failing him;(2) Name Address
Email Id Signature

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 68th Annual General Meeting of the Company, to be held on Wednesday, 17th June, 2015 at 11.00 AM at Sulakarai, Virudhunagar and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.	RESOLUTIONS	Optional*	
Ordinary Business		For	Against
1.	Adoption of Financial Statements for the year ended 31 st March, 2015		
2.	Approval of dividend for 2014-15		
3.	Re-appointment of Mr.PL.Subbiah, who retires by rotation		
4.	Appointment of M/s. Peri Thiagaraj & Co, Chartered Accountants, as Auditors and fixing their remuneration		
Special Business			
5.	Appointment of Dr.Smt Uma Kannan as Director		
6.	Resolution U/s 181 of the Companies Act, 2013 for payment of donation for charitable and other funds.		
7.	Resolution U/s 148 of the Companies Act, 2013 for ratification of fees payable to Cost Auditor		

Signed this Day of 2015

Signature of shareholder.....

Signature of Proxy holder(s).....

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 68th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.



FORM A

Format of covering letter of the annual audit report to be
Filed with the stock exchanges:

1.	Name of the Company	VTM LIMITED
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	Un-Qualified opinion.
4.	Frequency of observation	Whether appeared first time . . . / repetitive . - No qualificatory remarks in Audit Report.
5.	To be signed by- <ul style="list-style-type: none"> Chairman & Managing Director Auditor of the Company Audit Committee Chairman 	<p><i>[Signature]</i> For VTM LIMITED (T. Kannan) Chairman & Managing Director</p> <p>For PERITHIAGRAJ & CO., CHARTERED ACCOUNTANTS Firm Registration No. 002636S <i>[Signature]</i> Partner T. KALAIRAJ Chartered Accountant Membership No: 023840</p> <p>For VTM LIMITED <i>[Signature]</i> R.M. SOMASUNDARAM AUDIT COMMITTEE CHAIRMAN</p>

Chairman's Office : Thiagarajar Mills Premises, KAPPALUR, Madurai - 625 008, India.

Regd. Office : SULAKARAI, Virudhunagar - 626 003.