VTM LIMITED

Annual Report 2015 - 2016

VTM

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 K. Vethachalam

CHAIRMAN & MANAGING DIRECTOR

Thiru T. Kannan

CHIEF FINANCIAL OFFICER

Thiru V. SUNDARAMOORTHY

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 Ninth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at Sulakarai, Virudhunagar on Monday, 27th day of June, 2016 at 10.00 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 2016 and the Profit & Loss Statement for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Sri.K. Thiagarajan, who retires by rotation and being eligible offers himself for re-appointment.
3. 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 :

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

   RESOLVED that Mr. K. Vethachalam, (DIN 000381667) who was appointed as Additional Director of the Company with effect from 15.10.2015 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 his 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.

5. 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.30000/- payable to the Cost Auditor for auditing the cost records and furnishing of Report thereon for the Financial Year 2016-17 as approved by the Board of Directors of the Company be and is hereby ratified.

I. IMPORTANT NOTES :

1. The Register of Members and the Share Transfer books of the Company will remain closed from 17th June, 2016 to 27th June, 2016 (both days inclusive) for annual closing.
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 31.3.2009 which is remaining unclaimed for seven years will be transferred to the Investors Education and Protection Fund on or before 07.07.2016, 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 required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 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 2015-16 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 69th 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 69th 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 69th Annual General Meeting and the Annual Report for the year 2015-16 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 69th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy.

Instructions and other information relating to e-voting are as under:

1.

A In case a Member receives an email from Karvy (for Members whose email Ids are registered with the Company/Depository Participant(s):

i) Launch internet browser by typing the URL: https://evoting.karvy.com in the address bar and click on "Enter". The Home screen will be displayed then click on shareholders icon in the homepage.

ii) Enter the login credentials (i.e..User ID and password mentioned over leaf). Your Folio No.DP ID – Client ID will be your User ID. However, if you are already registered with Karvy for E-voting, you can use your existing User ID and password for casting your vote.

iii) After entering these details appropriately, click on "LOGIN".

iv) You will now reach password change Menu wherein you are required to mandatory change your password. The new password shall comprise minimum characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@#s.etc). The system will prompt you to change your password and update your contact details like mobile number, email ID.etc.on first login. You may also enter a secret question and answer of your choice to retrieve password and that you take utmost care to keep your password confidential.

v) You need to login again with the new credentials.

vi) On successful login, the system will prompt you to select the E-Voting Event Number for VTM Limited

vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off Date under each of the heading of the resolution and cast your vote by choosing the "FOR/ AGAINST " option or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head. Option "FOR" implies assent to the resolution and "AGAINST" implies dissent to the resolution.

viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/ demat accounts.

ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x) You may then cast your vote by selecting an appropriate option and click on "Submit".

xi) A confirmation box will be displayed Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(S).

xii) Corporate/ Institutional Members (i.e other than Individuals, HUF,NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(S) of the duly authorized representative(S), to the Scrutinizer at e-mail ID:vtmlimited.scrutinizer@Karvy.com. They may also upload the same in the E -voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO".

B In case a Member receives physical copy of the Annual General Meeting Notice by post (for members whose email Ids are not registered with the Company/Depository Participant(s).

i. User ID and initial password are provided overleaf.

ii. Please follow all steps from Sr.No.(i) to (xii) as mentioned in (A) above, to cast your vote.

2. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently,Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.

3. In case of any query pertaining to E-voting, please visit Help & FAQ's section available at Karvy's **website https://evoting.karvy.com.**

4. The facility for voting through electronic means (Ballot) shall be made available at the Annual General Meeting (AGM) and the members attending AGM who have not cast their vote by remote E-voting shall be able to vote at the AGM through "Ballot"

5. The members who have cast their vote by remote E-voting may also attend AGM , but shall not be entitled to cast their vote again.

6. The Board of Directors has appointed Mr. Mr.I.B. Harikrishna, Practising Company Secretary (Membership No. 5302) as a Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.

7. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date), being, June 21,2016.

8. A person ,whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories at the close of business hours on June 21,2016 shall be entitled to avail the facility of remote E-voting/ballot
the e_voting period starts on 23rd June,2016(9;00am) and ends on 26th June, 2016 (6;00 pm).

9. Any person who becomes member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date may obtain the User Id and password by in the manner as mentioned below :

a. If the mobile number of the member is registered against Folio No./ DPID Client ID, the member may send SMS:
MYEPWD<space> E-Voting Event Number +Folio no. or DPID Client ID to +91 -9212993399 Example for NSDL : MYEPWD<SPACE>IN12345612345678
Example for CDSL : MYEPWD<SPACE>1402345612345678
Example for Physical: MYEPWD<SPACE> XXXX1234567890

b. if e-mail address or mobile number of the member is registered against Folio No. / DPID Client ID, then on the home page of https://evoting.karvy.com, the member may click " Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.

c. Member may Call Karvy's Toll free number 1-800-3454-001

d. Member may send an e-mail request to evoting@karvy.com

10. However, if you are already registered with Karvy for E-voting, you can use your existing User ID and password for casting your vote.

11. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of AGM shall unblock the votes cast by remote E-voting and Ballot, in the presence of at least two(2) witness not in the employment of the Company and will make a Consolidated Scrutinizer's Report of the votes cast in favour or against, forthwith to the Chairman of the meeting.

12. The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.

13. The Results declared along with the Scrutinizer's Report(s) will be available on website of the Company (www.vtmill.com) and on Karvy's website (https://evoting.karvy.com). The results shall simultaneously be communicated to Stock Exchanges.

14. 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. 4:

Sri K. Vethachalam, was appointed as an Additional Director of the Company on 15th Ocotber, 2015. 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.

Under Section 161(1) of the Companies Act, 2013 Sri K. Vethcchalam 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.100000/- from a member proposing Sri K. Vethachalam as a candidate for the office of Director of the Company.

Sri K. Vethachalam does not hold any equity shares in the Company.

The Board considers that the appointment of Sri K. Vethachalam as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation.

Except Sri K. Vethachalam, 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.4. This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 5:

The Board, at its meeting held on 09th May, 2016, appointed Mr. M. Kannan, Practicing 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.30000 as remuneration payable to him, for the financial year 2016-17.

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.5 Accordingly, the Board recommends the ordinary resolution, as set out in item No.5, for ratification by the shareholders of the Company.

Kappalur, Madurai.
May 09, 2016.

By order of the Board
T. KANNAN
Chairman

DIRECTORS' REPORT

FOR THE YEAR ENDED ON 31ST MARCH, 2016.

To the Members of VTM Limited

Your Directors have pleasure in presenting their 69th Annual Report along with the Audited statement of accounts for the year ended 31st March, 2016.

Operating & Financial Performance Profits, Dividends & Retention

Rs. in Lakhs

	2015 - 2016		2014 - 2015	
Turnover :-		15409		16782
Profit before Depreciation (after interest)		1898		1627
Less: Depreciation		516		519
Profit after Depreciation		1382		1108
Less: Provision for Taxation:				
Current Year	400		280	
Deferred Tax	84		32	
Taxation for earlier years	(34)	450	-	312
Profit after Tax		932		796
Add: Amount brought forward		264		274
Available for appropriation		1196		1070
Appropriation :-				
Transfer to General Reserve		500		500
Interim Dividend @ Re 0.75 per share	302		253	
Income Tax on Dividend	62	364	53	306
Retained profit carried forward to the following year		332		264

During the year under review, your company performed better than last year. Though there was a fall in the export of the textiles for the country as a whole, your company was able to improve on its export performance. The domestic markets were seesawing all through the year with a weak undertone. The continuing drought in several parts of the country had a negative impact in the demand for textile products. There was a drop in the unit value realisation as a result of lower cotton prices. This resulted in the overall turnover showing a marginal fall. Viewed in this context, your company's performance must be considered as being satisfactory.

During the year under review the company has charted out a scheme to modernise 36 machines with ultra modern shuttleless weaving looms and necessary accessories at a total cost of Rs.19.51 Crores.

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 considering the profits for the year, recommended an interim dividend of Re.0.75 per share i.e.75% on Equity Shares of Re.1/- each in the month of March, 2016. The Interim Dividend together with dividend tax entailed a cash outflow of Rs.363.12 lakhs. This has been recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 7th March, 2016 and the Interim Dividend was deposited in a separate bank within five days and dividend amount was also paid within the time prescribed to those shareholders whose name were available on the record date fixed for payment of Interim Dividend.

Since the Company has paid Interim Dividend for the year in March, 2016, no Final Dividend for the year has been proposed and recommended.

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 ceased to be an Associate Company on and from 28th March, 2016.

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, 2016 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

During the year, the Company appointed Sri T. Kannan as Chairman and Managing Director effective from 07th May, 2015. Accordingly, the Nomination and Remuneration Committee revised the Remuneration Policy in order to include the terms of appointment for the Managing Director before the appointment takes place.

Further in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 the following policies/codes were approved by the Board and copies of the policies are available on the Company's website www.vtmill.com:

1. Insider Trading Code
2. Insider Trading Fair Disclosure Code
3. Policy on Materiality of and dealing with Related Party Transactions.

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, the Code of Conduct and other policies/codes as referred above are available on the Company's website www.vtmill.com

ISO and 5S Certification

The Company's factory at Sulakarai, Virudhunagar, Tamil Nadu has been certified ISO for Quality Management System Standard and during the year it received a 5S Certification from AOTS Alumni 5S Forum of India. The company has also obtained GOTS certification for the manufacture of organic cotton fabrics.

Segmentwise 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 support the industry hitherto received in terms of interest subsidy under the TUFS Scheme has been withdrawn and in its place a new scheme called ATUFS is in place wherein the subsidy available for a company in a lifetime has been capped at Rs.20 Crores. This is not as lucrative as the earlier scheme.

The power situation prevailing in Tamil Nadu has considerably improved though the costs are high when compared with other states. The availability of competitively priced power is essential for the successful operations of your company. International trade barriers and the not so advantageously placed duty structure for Indian products in overseas market is another disincentive for exports.

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 as there are good indications for a normal monsoon. This will boost the rural economy and help in increasing demand. It will also help to boost the Indian cotton crop. These factors may improve your company's business prospects and the profitability.

Board of Directors

The Board consists of 8 Directors with one Chairman and Managing Director, Four Non-Executive Independent Directors, two Non-Executive Directors and one Woman Non -Executive Director.

Section 203 of the Companies Act, 2013 requires a listed company to have a Managing Director/CEO/Whole Time Director as one of the Key Managerial Personnel. In terms of the provisions, Sri T. Kannan, the Chairman of the Company was appointed as Chairman and Managing Director duly recommended by the Nomination and Remuneration Committee and approved by the Board of Directors on and from 07th May, 2015. He is already the Chairman and Managing Director of M/s. Thiagarajar Mills Private Limited and accordingly his remuneration is fixed in such a way that the total remuneration from both companies put together does not exceed the limits as prescribed u/s. 197 of the Companies Act, 2013.

During the year, Mr. PL. Subbiah, Director of the Company, resigned from the Board and Mr.K. Vethachalam joined the Board on and from 15th October, 2015. Accordingly, the number of Directors remained same.

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 Non-Executive Directors are within the limits prescribed under the Companies Act, 2013 and Rules thereon.

Retirement of Directors by Rotation

Mr.K. Thiagarajan, 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.

Non-Executive Independent Directors

The Non-Executive Independent Directors have confirmed and declared that they are not disqualified to act as an Non-Executive 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 Non-Executive Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Non-Executive Independent Directors. The Non -Executive Independent Directors have convened a meeting on 20th January, 2016.

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 the provisions as referred in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the preparation of the annual accounts for the year ended on 31st March, 2016 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 management designed and implemented policies with respect to adherence to accounting standards as a general requirement applied by a Company in preparing and presenting financial statements.

b) The management evolved a sound system for regular evaluation of the nature and extent of the risks to which the Company is exposed and to control risk appropriately.

c) The board ensured the effective financial controls, including the maintenance of proper accounting records and the Company is not unnecessarily exposed to avoidable financial risks. They also contribute to the safeguarding of assets, including the prevention and detection of fraud. The financial information used within the business and for publication is reliable.

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 persons have been appointed as Key Managerial Personnel of the Company in compliance with the provisions of Section 203 of the Companies Act, 2013:

a) Sri T. Kannan, Chairman and Managing Director
b) Sri S. Arunagiri, Chief Financial Officer (From 05.09.2015 to 05.03.2016)
c) Sri V. Sundaramoorthy, Chief Financial Officer (With effect from 01.04.2016) and
d) Sri S. Paramashivan, Company Secretary

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 Managing 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 Regulation 34(3) read with Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, 2016 issued by M/s. Peri Thiagaraj & Co., Auditors of the Company, is also attached as part of Annexure I and forms a part of this Report of the Directors.

The Company has formulated Insider Trading Code and Insider Trading Fair Disclosure Code in terms of Regulation 9 read with Schedule B and Regulation 8 read with Schedule A off SEBI (Prohibition of Insider Trading) Regulations, 2015 respectively and provided in the company's website at www.vtmill.com. Mr S. Paramashivan, Company Secretary, is the Compliance Officer responsible for compliance with the Insider Trading procedures. As there was no insider trading in the securities of the company, the company has not reported any Insider Trading details to the Stock Exchange.

Sri T. Kannan, Chairman and Managing Director of the Company has given his certificate under Regulation 17(8) read with part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the annual financial statements for the year ended on 31st March, 2016 to the Board of Directors. The Chairman has given his certificate under Regulation 34(3) read with Part D of Schedule V of the above said Regulations in compliance with the Code of Conduct of the Company for the year ended March 31, 2016, which is attached as Annexure VIII and forms a part of this Report of the Directors.

Audit Committee

The Audit Committee was reconstituted on 11.01.2011 and as on 31st March, 2016, the 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 Audit Committee is empowered with monitoring the appointment of Key Managerial Personnel and accordingly during the year the Committee recommended the appointment of CMD and CFO and resignation of CFO.

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 2014-15, 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

Further, during the year, the company entered into contracts or arrangements with such concerns where Mr. K. Vethachalam, Director of the company is interested with the same terms and conditions as entered with other related parties for a period upto 31.03.2019.

Likewise, the Company enhanced the contracting limits for obligations in respect of the donations for charitable purposes and fixed the limit for contribution to CSR activities with a Charitable Trust.

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 twice during the year, the first one on 09th December, 2015 to review and monitor CSR Policy and CSR Activities and to consider for contribution for CSR Activities and another one on 07th March, 2016 to finalise and approve contributions for CSR Activities for the amounts to be spent for the Financial Year 2015-16.

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 eradication of hunger and poverty and 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 Committee including the impact of such matters may have on the Company's management of risk.

The Company finalized the manner of implementation of the CSR Policy and spent a sum of Rs.3.25 lakhs towards eradication of hunger and poverty of the public who were affected by the recent flood havoc in Tamil Nadu and contributed a sum of Rs.25.00 lakhs to a registered Charitable Trust with a direction to keep it as Corpus for CSR Activities for applying the same for promotion of education through 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 through a Charitable Trust has been shown in Annexure VII.

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.

Prevention of Sexual Harassment:

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee with three employees and a NGO representative and Smt. Uma Kannan, Director of the Company is the Adviser to the Committee. The Board also has approved the prevention of Sexual Harassment Policy and all employees specially women employees were made aware of the Policy and the manner in which complaints could be lodged. The Committee has submitted its Annual Report and the same has been approved by the Board.

The following is reported pursuant to Section 22 of the Sexual Harassment of Women at Workplace (prevention, Prohibition and Redressal) Act, 2013:

1.	No. of Complaints of sexual harassment received	NIL
2.	No. of Complaints disposed off during the year	NIL
3.	No. of cases pending for more than ninety days	NIL
4.	No. of awareness programme conducted	1
5.	Nature of action taken by the employer	Not Applicable

Nomination and Remuneration Committee

A Nomination and Remuneration Committee was constituted on April 24, 2014 and as on 31s March, 2016 Sri RM. Somasundaram is the Chairman and M/s. T. Kannan and A. Mariappan are Members of the Committee. This constitution satisfies the provisions of Section 178 of the Companies Act, 2013. The Company Secretary is the Secretary of this Committee.

During the year, the Committee met three times for reviewing the Policy for the appointment of Managing Director and for the appointment and removal of Chief Financial Officer. After reviewing the policy, the NRC recommended the appointment of Sri T. Kannan as Managing Director of the Company.

The Company's Remuneration Policy is available on the Company's website www.vtmill.com and annexed as forming part of this report as ANNEXURE X.
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. As on 31st March, 2016, the Members of the Committee are Sri L.N.V. Subramanian as Chairman and Sri T. Kannan 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 and in such number 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. Annual Report on CSR spending

VIII. Chairman & Managing Director's Certificate under Regulation 34(3) read with Part D of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on compliance of Code of Conduct.

IX. Certificate by Chairman and Managing Director and Chief Financial Officer under Regulation 17(8), of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Financial Statements.

X. Remuneration Policy

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.
May 09, 2016.

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

Annexure I : Corporate Governance Report 2015-16

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 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 9th May, 2016 consists of eight Directors of which there are three Non-executive Directors, One Executive Director 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 Managing Director	Executive Director
Dr.Smt. Uma Kannan	Director	Woman Director
Sri K.Thiagarajan	Director	Non-Executive Director
Sri RM. Somasundaram	Director	Independent Director
Sri L.N.V. Subramanian	Director	Independent Director
Sri A. Mariappan	Director	Independent Director
Sri M.Murugesan	Director	Independent Director
Sri K. Vethachalam	Director	Non-Executive Director

During the year:
Sri T. Kannan has been appointed as Chairman and Managing Director of the Company on and from 07th May,2015.
Sri K. Vethachalam has been appointed as Additional Director on and from 15th October, 2015.
Sri PL. Subbiah ceased to be a Director on and from 15.10.2015 due to his resignation.

2.1. 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. Out of the total strength, four Directors are Independent Directors who satisfy the conditions provided in the Regulation 17 of the SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015.

In the present Board, Sri T.Kannan, Chairman & Managing 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 Regulation 26 of the SEBI(Listing Obligations & Disclosure Requirements) Regulations 2015. 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.

Sri. K.Vethachalam Director of the Company, who was appointed as the Additional Director of the company will hold office up to the ensuing Annual General Meeting. He will be elected to the office of Directorship with the consent of members at the Annual General Meeting of the company. The personal information about Sri K.Vethachalam is given as below:

Sri K.Vethachalam has been appointed as an Additional Director at the Board Meeting held on 15.10.2015. 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 Managing Director, is given separately in the Annual Report.

2.4 Shareholding of Directors and Key Managerial Personnel

As on March 31, 2016 following shares of the Company were held by Directors and Key Managerial Personnel of the Company :

Name	Designation	No. of shares
Sri.T. Kannan	CMD	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 and sitting fees have been paid to the Directors as detailed herein:-

Director Name	Date of Meeting						
	30.04.15 (Rs.)	07.05.15 (Rs.)	27.07.15 (Rs.)	15.10.15 (Rs.)	20.01.16 (Rs.)	07.03.16 (Rs.)	Total (Rs.)
T.Kannan	3000						3000
Uma Kannan				3000	3000	3000	9000
K. Thiagarajan	3000		3000	3000	3000	3000	15000
RM.Somasundaram	3000	3000	3000	3000		3000	15000
A. Mariappan	3000	3000	3000	3000	3000	3000	18000
L.N.V.Subramanian	3000	3000	3000	3000	3000	3000	18000
M. Murugesan	3000		3000		3000		9000
PL. Subbiah	3000	3000	3000				9000
K.Vethachalam				3000	3000	3000	9000
TOTAL	21000	12000	18000	18000	18000	18000	105000

The sitting fees was paid to Sri T. Kannan when he was a Non-Executive Director.
The Company Secretary is the Secretary to 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 the earlier 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 Stakeholders Relationship Committee. The composition of the present Board is in conformity with the Regulation 17 of the SEBI Listing Regulations (LODR) 2015.
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 Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements)Regulations 2015] 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.
Directorships and membership of Committees in other companies held by Directors as on March, 31, 2016 and the Attendance of the Directors at the Board meetings and the Annual General Meeting is given below:

Names of the Directors	Cate gory	No. of Board Meetings attended	Attendance at the last AGM held on 17.6.2015	No. of Other Director - ships in companies other than VTM	No. of membe r-ships in Board Commit -tees	Whether Chairman/ Member
Thiru T. Kannan	ED	5	✓	9*	5	Chairman
					3	Member
Thiru K.Thiagarajan	NED	5		3*	2	Member
Dr Smt Uma Kannan	NED	3		2	-	
Thiru RM. Somasundaram	NEID	5		4	2	Chairman
					1	Member
Thiru L.N.V. Subramanian	NEID	6		-	1	Member
Thiru A. Mariappan	NEID	6		7	1	Chairman
					3	Member
Thiru M.Murugesan	NEID	3		2	-	-
Thiru K.Vethachalam #	NED	3		6	-	
Thiru PL.Subbiah #	NED	3		-	-	-

NEID: Non Executive 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 Managing Director, has attended the Annual General Meeting held on 17.06.2015

#Thiru PL.Subbiah ceased to be a Director on and from 15.10.2015, &
Thiru K.Vethachalam became a Director from 15.10.2015.

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 Managing Director is permanent invitee in all meetings. The Company Secretary is the Secretary to 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 has finance expertise. The Statutory Auditors 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 Part C of the Schedule II to the SEBI (Listing Obligations & Disclosure Requirements)Regulations 2015 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 Regulation 18 and as per Part C (Role of Audit committee) of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements)Regulations 2015.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 carrying the internal audit periodically.

3.4. Attendance: During the financial year ended March 31, 2016, five meetings of the Audit Committee were held :

Dates of meetings: 30.04.2015, 27.07.2015, 15.10.2015, 20.01.2016, and 07.03.2016

Sri.RM. Somasundaram attended all meetings except held on 20.01.2016(four out of five meetings) and was paid a fee of Rs. 12,000/-

Sri.L.N.V. Subramanian attended all meetings and was paid a fee of Rs.15,000/-
Sri.A. Mariappan attended all meetings 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, 2016 is given below :

Name of the Director	Sitting Fees (For Board & Committee Meetings)
Thiru T. Kannan (Chairman)	Rs. 3000/-*
Thiru K.Thiagarajan	Rs. 21000/ -
Thiru RM. Somasundaram	Rs. 39000 / -
Thiru L.N.V. Subramanian	Rs.36000/ -
Thiru A. Mariappan	Rs. 45000/ -
Thiru M. Murugesan	Rs. 12000/ -
Thiru PL.Subbiah	Rs. 9000/ -
Dr (Smt) Uma Kannan	Rs. 9000/ -
Thiru K.Vethachalam	Rs. 9000/ -

* Represents the amount of fees Received during the year while he was a Non executive director.

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 Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. Sri.RM.Somasundaram an Independent Director, is the 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 Schedule II Part D of the SEBI (Listing Obligations & Disclosure Requirements)Regulations 2015,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, 2016, three meetings of the Nomination and Remuneration Committee were held which was attended by all members and excepting for 7th May 2015 meeting, which was not attended by Sri T.Kannan. Each Independent Director (member) received a fee of Rs.3,000/- for attending each committee meeting.

The Attendance of the Directors at the Committee meetings are as under:

Name of the Director	Sitting Fees (Committee Meeting)
Thiru RM.Somasundaram - Chairman	Rs.9,000
Thiru T.Kannan - Member	-
Thiru A.Mariappan - Member	Rs.9,000

Remuneration Policy: During the year, the Remuneration Policy was revised and as recommended by the Nomination and Remuneration Committee has been approved 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, therelationship 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:

Sri T. Kannan, who has been appointed as the Chairman and Managing Director of the company on and from 07th May, 2015 is entitled to a remuneration not exceeding 5% of the Net Profits computed u/s. 198 of the Companies Act, 2013 and accordingly a sum of Rs. 60 lakhs has beenprovided as remuneration for the year 2015-16.

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 1% of the net profits of the Company.

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 twice during the year on 9th December 2015 which was attended by Sri.T.Kannan, CMD, and Sri.K.Thiagarajan, Director, and on 7th March 2016 by Sri.T.Kannan, CMD, Sri.K.Thiagarajan, and Sri.RM.Somasundaram, Directors of the company, for approval of the CSR spending and excepting Sri.T.Kannan, CMD others received a sitting fee of Rs.3,000/- per meeting.

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 Mr.A. Mariappan. Mr. L.N.V. Subramanian,and Mr.M.Murugesan met on 20th January 2016 without the attendance of Non-Independent Directors and members of management, deliberated and reviewed the performance of the 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 and essential for the Board to effectively and reasonably perform their duties.

SHARES:

6. 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 seven grievances regarding non-receipt of shares applied for transfer, non-receipt of dividend, and related matters were received from the shareholders, and totally eight grievances were redressed, including the one that was pending at the beginning of the year. 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 2009, due to be transferred on 07.07.2016 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 31.03.2016

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 5000	2713	88.72	2778140	6.90
5001 – 10000	155	5.07	1056470	2.63
10001 - 20000	98	3.20	1363234	3.39
20001 - 30000	35	1.14	880501	2.19
30001 - 40000	10	0.33	369844	0.92
40001 - 50000	6	0.20	260854	0.65
50001 – 100000	22	0.72	1608770	4.00
100001 – above	19	0.62	31909787	79.32
Total	3058	100.00	40227600	100 .00

Shareholding pattern as on 31st March 2016:

Shareholders	No. of Shares held	% of total shares held
Promoters	30169700	75.00
Financial Institutions	0	0
Corporate Bodies	356177	0.89
Public	9619249	23.90
NRI's	82474	0.21
Total	40227600	100.00

1. 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 91.29% 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

TRADING SYMBOL AT BSE : VTM
Demat ISIN No. : INE222F01029
Share Price movements :
Market price data : Exchange : BSE

Month	HIGH Rs.	LOW Rs.
APRIL'15	23.60	18.00
MAY '15	23.50	20.00
JUNE '15	23.50	17.00
JULY '15	25.90	22.00
AUGUST '15	25.50	18.00
SEPTEMBER '15	21.55	17.25
OCTOBER '15	25.45	19.70
NOVEMBER '15	26.00	21.50
DECEMBER '15	38.95	23.15
JANUARY '2016	45.95	29.50
FEBRUARY '16	34.90	22.25
MARCH '16	28.50	23.00

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

6.1 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 31.03.2015	:	1
No. of complaints received during the year	:	7
No. of complaints resolved during the year	:	8
No. of complaints unresolved as on 31.03.2016	:	nil

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, 2015	17th June 2015 at 11.00 am
31st March, 2014	25th June 2014 at 12.00 Noon
31st March, 2013	5th June 2013 at 11.30 am

EGM / Postal Ballot meetings:

NIL

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

The General Meeting was 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, 2016.

7.2 Special resolutions:
The company has neither passed any special resolution nor any resolution requiring postal ballot in the Annual General Meeting held on June 17, 2015.

At the ensuing 69th Annual General Meeting to be held on 27th June, 2016 no resolution is proposed to be passed as special resolution or by postal ballot.

7.2.1 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 69th Annual General Meeting will be made through electronic voting. The electronic voting period commences on 23rd June, 2016 (9:00 am) and ends on 26th June, 2016 (6:00 pm) both days inclusive. Book closure has been fixed as 21st June, 2016 to 27th June, 2015 to determine the Members entitled to vote on the resolutions mentioned in this Notice.

7.2.2 Scrutinizer for electronic voting : Mr I.B. Harikrishna, of Akshaya Corporate Solutions Private Limited, Practising Company Secretaries (Membership No.FCS and C.P No 5302 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 as per Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements)2015 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 Economic Times 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. [Regulation 34 and Schedule V of the Listing SEBI (Listing Obligations & Disclosure Requirements)Regulations 2015.]

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.

9.1 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- 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 the company/compliance officer 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.	:	27th June, 2016 at 10.00 A.M. at the Registered Office at Sulakarai, Virudhunagar.
2.	Dates of Book Closure/Record date for Financial Year 2015-16	:	Register of Members will be closed from 17thJune to 27thJune, 2016;
3.	Results for Quarter ending June 30, 2016 (Provisional)	:	3rd Week of July, 2016.
	Results for Quarter ending September 30, 2016 (Provisional)	:	3rdWeek of October, 2016.
	Results for Quarter ending December 31, 2016 (Provisional)	:	3rd Week of January, 2017.
	Financial Calendar – 1stApril 2016 to 31stMarch 2017 (Audited)	:	4thWeek of April, 2017.

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

g to the provisions of:

es made thereunder;

6 ('SCRA') and the rules mad thereunder;

s and Bye-laws framed thereunder;

) and the rules and regulations made
estment, Overseas Direct Investment and

cribed under the Securities and Exchange

a (Substantial Acquisition of Shares and

rohibition of Insider Trading)Regulations,

Issue of Capital and Disclosure

Registrars to an issue and Share Transfer
panies Act and dealing with client;

elisting of Equity Shares) Regulations,

. (Buyback of Securities) Regulations,

al Laws.

clauses of the following:

'Company Secretaries of India.

quirements) Regulations, 2015 read with
npany with Bombay Stock Exchange

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, 2016, as per provisions of Clause 49 of the Listing Agreement and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with other applicable provisions of law as and to the extent applicable during the aforesaid period.

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 Stakeholders Relationship 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.

Kappalur, Madurai.
May 09, 2016.

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

T.Kalairaj
Partner
(Membership No.023840)

Management Discussion & Analysis:

Financial Performance:

The company's Sales Turnover has marginally come down from Rs.16,782 Lakhs to Rs.15,409 Lakhs. However the Profit before depreciation has gone up from Rs.1627 Lakhs to Rs.1898 Lakhs, registering 16.66% increase over the previous financial year. Also the Profit after tax has also gone up from Rs.796 Lakhs to Rs.932 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.

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

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

(iii) SEBI (Prohibition of Insider Trading) Regulations, 2015 and all other regulations of SEBI as applicable to the Company.

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 Managing Director, Non-Executive Directors, Independent Directors and a 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 along with e-voting facility after giving required notices to the members of the Company duly complied with the provisions of the Companies Act 2013.

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.

Signature : Sd/- M.K.Bashyam
Name of Company Secretary
in practice / Firm:
FCS No.600 C P No.: 3837

M.K.BASHYAM
Company Secretary in Practice
FCS 600 - 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 31/03/2016)

To

The Members,
VTM Limited,
Sulakarai,
Virudhunagar.

My Secretarial Audit Report for the financial year ended 31/03/2016 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. We 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. Wherever 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.

Signature : Sd/- M.K.Bashyam
Name of Company Secretary
in practice / Firm:
FCS No.600 C P No.: 3837

Annexure - III

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2016

[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	:	
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
	Nil				

IV. SHARE HOLDING 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 31st March 2015)				No. of Shares held at the end of the year (as on 31st March 2016)				% change in shareholding during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
- Individuals */ HUF	585600	-	585600	1.46	585600	-	585600	1.46	-
- Central Govt/ State Govt.	-	-	-	-	-	-	-	-	-
- Bodies Corp.	5518300		5518300	13.72	5518300		5518300	13.72	-
- Banks/FIIs									
- Any other (specify) PartnershipFirms	23038000		23038000	57.27	23038000		23038000	57.27	-
Sub-total (A) (1)	**29141900**		**29141900**	**72.45**	**29141900**		**29141900**	**72.45**	-
(2) Foreign									
- Individuals (Non Resident)	874200-	-	874200	2.17	874200	-	874200	2.17	-
- Individuals / Foreign individuals)	153600-	-	153600	0.38	153600	-	153600	0.38	-
- Bodies Corproate	-	-	-	-	-	-	-	-	-
- Institutions	-	-	-	-	-	-	-	-	-
- Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**1027800**		**1027800**	**2.55**	**1027800**		**1027800**	**2.55**	
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**30169700**		**30169700**	**75.00**	**30169700**		**30169700**	**75.00**	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
f) Insurance Cos	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	246232	206800	453037	1.13	308877	47300	356177	0.88	-0.25
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4365550	2357060	6722610	16.70	4435202	2924960	7360162	18.30	1.59
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1716334	1053600	2769934	6.89	1740087	453000	2193087	5.45	-1.43
c) Others (specify) NRIs	33724	12600	46324	0.12	69874	12600	82474	0.20	0.08
Firms	-	66000	66000	0.16	-	66000	66000	0.16	-

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31st March 2015)				No. of Shares held at the end of the year (as on 31st March 2016)				% change in shareholding during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
Sub-total (B)(2):-	6309240	3748660	10057900	25.00	6554040	3503860	10057900	25.00	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	6309240	3748660	10057900	25.00	6561840	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			Share holding at the end of 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	% change in share holding during the year
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 begining		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					
At the beginning of year		418560	1.04		
Date wise Inc/Dec during the year					
Date					
1.Anil Kumar Goel		418560	1.04	1.04	
31.12.2015	(Sell)	(8560)	0.02	410000	1.02
06.01.2016	(Sell)	(5000)	0.01	405000	1.01
13.01.2016	(Sell)	(4557)	0.01	400443	1.00

2. S.N. Rajan					
At the beginning of year		567386	1.41	567386	1.41
Date wise Inc/Dec during the year					
Date	Buy/(Sell)				
24.04.2015	Buy	1349	0.00	568735	1.41
07.05.2015	Buy	8883	0.02	577618	1.43
29.05.2015	Buy	198	0.00	577816	1.43
10.06.2015	Buy	1697	0.00	579513	1.44
25.06.2015	Buy	7053	0.01	586566	1.45
03.07.2015	(Sell)	(902)	0.00	585664	1.45
08.07.2015	(Sell)	(1143)	0.00	584521	1.45
23.07.2015	Buy	80000	0.19	664521	1.65
29.07.2015	(Sell)	(2410)	0.00	662111	1.64
07.08.2015	(Sell)	(24918)	0.06	637193	1.58
20.08.2015	(Sell)	(1150)	0.00	636043	1.58
28.08.2015	Buy	13182	0.03	649225	1.61
10.09.2015	Buy	945	0.00	650170	1.61
21.09.2015	Buy	15101	0.04	665271	1.65
15.10.2015	(Sell)	(250)	0.00	665021	1.65
22.10.2015	Buy	35333	0.09	700354	1.74
30.10.2015	(Sell)	(24336)	0.06	676018	1.68
05.11.2015	(Sell)	(813)	0.00	675205	1.67
26.11.2015	(Sell)	(29899)	0.07	645306	1.60

02.12.2015	(Sell)	(69175)	0.17	576131	1.43
10.12.2015	(Sell)	(93677)	0.23	482454	1.20
16.12.2015	(Sell)	(88212)	0.22	394242	0.98
23.12.2015	(Sell)	(46859)	0.12	347383	0.86
30.01.2015	(Sell)	(31667)	0.08	315716	0.78
06.01.2016	(Sell)	(62000)	0.15	253716	0.63
07.01.2016	Buy	1400	0.00	255116	0.63
14.01.2016	(Sell)	(6000)	0.01	249116	0.62
12.02.2016	Buy	4500	0.01	253616	0.63
16.02.2016	Buy	24000	0.06	277616	0.69
12.02.2016	Buy	4500	0.01	253616	0.63
16.02.2016	Buy	24000	0.06	277616	0.69

At the beginning of year	183000	0.45		
Date wise Inc/Dec during the year				
Date	Buy/(Sell)			
3.LRMK.Valliappan			183000	0.45

At the beginning of year	168040	0.42	168040	0.42
Date wise Inc/Dec during the year				
4.Vinay Kumar Gupta				
(Sell)	(1000)	0.00	167040	0.42
(Sell)	2040	0.01	169080	0.43

At the beginning of year	0			
Date wise Inc/Dec during the year				
5.Lalitha Narayanan	159500	0.40	159500	0.40

At the beginning of year	150000			
Date wise Inc/Dec during the year				
6.K.S.Gopalaswamy & Raujani Goplaswamy	150000	0.37	150000	0.37

At the beginning of year	150000	0.37		
Date wise Inc/Dec during the year				
7 S.Kasi Viswanathan	150000	0.37	150000	0.37

	At the beginning of year	120360			0.30
8.Venkattu Srinivasan					
10.9.2015	Buy	4000	0.01	124360	0.31
23.09.2015	Buy	6749	0.02	131109	0.33
27.03.2015	Buy	3419	0.00	134528	0.33

At the beginning of year	120000	0.30		
Date wise Inc/Dec during the year				
9 L.R.M.K.Subramanian	120000	0.30	120000	0.30

10. Vinod Chandra Mansukhlal Parekh	At the beginning of year	94335				0.23
	(Sell)		(2000)		92335	0.23

(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	-	-	-	-	-	-	-	-	-
K. VETHACHALAM	-	-	-	-	-	-	-	-	-
S.PARAMASHIVAN - CS	-	-	-	-	-	-	-	-	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount	59800350	-	-	59800350
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-

Total (i+ii+iii)	59800350			59800350
Change in Indebtedness during the financial year	17200000	-	-	17200000
Net Change	(17200000)			(17200000)
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	42600350	-	-	42600350
Total (i+ii+iii)	42600350			42600350

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director:

Sl.No	Particulars of Remuneration	Name of Managing Director				Total Amount
		T.Kannan	--	---	----	
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				
2.	Stock Option	NA				
3.	Sweat Equity	NA				
4.	Commission - as % of profit - others, specify	60,00,000				60,00,000
5.	Others, please specify					
	Total (A)	60,00,000				60,00,000
	Ceiling as per the Act	62,19,799				62,19,799

B. Remuneration to other Directors:

Sl.No	Particulars of Remuneration	Name of Directors				Total Amount
		RM.Somasundaram	L.N.V.Subramanian	A.Mariappan	M.Murugesan	
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	15000 24000 -	21000 15000 -	18000 27000 -	12000 - -	66000 66000
	Total (1)	**39000**	36000	**45000**	**12000**	**132000**
		T.Kannan (Before becoming CMD)	K.Thiagarajan	Uma Kannan	PL.Subbiah/ K.Vethachalam	
	4. Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify	3000	15000 6000	9000 - -	9000 9000 - -	36000 9000 6000
	Total (2)	**3000**	**21000**	**9000**	**18000**	**51000**
	Total (B)=(1+2)	42000	57000	54000	30000	183000
	Total Managerial Remuneration					60,00,000
	Overall Ceiling as per the Act					62,19,799

Sl.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary	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	-	450899*	341099	...
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission - as % of profit - others, specify	-	-	-	
5.	Others, please specify				
	Total		450899	341099	..,

*Employed for part of the year.

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) **Performance of Compressed Air for looms:**

The traditional GI pipelines were removed and new technology Aluminum Pipelines laid to avoid air leakages in last year. During the year the Company increased the size of the Aluminum pipes from 2.5" dia to 6.00" dia which has reduced the pressure drops and the energy saving has been achieved at 1000 kwh per day.

b) **Improvement in Power Quality:**

The company has installed Harmonic Filters at appropriate places during this year to improve the quality of power.

c) **Renovation of Humidification Plant**:

The Humidification Plant was renovated to increase the air volume from 70000 cfm to 88000 cfm, which has improved the loom working performance. While increasing the capacity,IE3 motors used in place of conventional type motors. All these has improved the machine performance as well as resulted in saving in power.

2. STEPS TAKEN FOR ALTERNATE SOURCES OF ENERGY & CONSERVATION OF EQUIPMENTS.

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

A. **POWER AND FUEL CONSUMPTION**

		31.3.2016	31.3.2015
1.	Electricity		
	a) Purchased:		
	Units	28,51.340	20,04,503
	Total amount	Rs.3,45,15,609	Rs.2,58,70,678
	Rate per unit	Rs.12.11	Rs.12.91

A. **POWER AND FUEL CONSUMPTION**

		31.3.2016	31.3.2015
b)	Own Generation:		
	Through Diesel Generator		
	Units	2,79,014	1,66,,910
	Units per litre of oil	3.22	3.36
	Cost per unit	Rs.14.66	Rs.16.11
c)	Through Windmill:		
	Produced Units	41,58,161	53,14,729
	Availed Units	41,58,161	53,14,729
d)	Through an Independent Power Producer		
	Units	95,99,348	89,47,300
	Rate per unit	Rs.6.52	Rs.7.18

B. CONSUMPTION PER UNIT OF PRODUCTION OF CLOTH:

	31.3.2016	31.3.2015
Electricity per Metre of production of cloth	Rs.5.59	Rs.4.99

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:

During the year, the company has proposed to modernize with 36 Nos. Modern Shuttleless looms and necessary accessories at a total cost of Rs.1951 Lakhs which will be able to increase productivity and save costs.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company has earned during the year under report foreign exchange equivalent to Rs.2493.99 Lakhs (FOB value of exports) through direct exports.

The foreign exchange outgo during the period is Rs.365.39 Lakhs.

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

Kappalur, Madurai.
May 09, 2016.

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

ANNEXURE VFORM 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

ANNEXURE VI

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

1. The ratio of the remuneration of each D irector to the median remuneration of the employees of the company for the financial year;

Rs. in lakhs

Name of the Director	Designation	Remuneration	Ratio to Median Remuneration
Sri T. Kannan	Chairman & Managing Director	60.00	63.83

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
		2014-15	2015-16	
Sri T. Kannan	Chairman & Managing Director	20.00	60.00	200%
Sri K. Thiagarajan	Director	14.00	0.00	(100%)
Mr. S. Arunagiri	Chief Financial Officer	0.00	4.51	100%
Sri S. Paramashivan	Company Secretary	3.31	3.41	3.02%

3. The percentage increase in the median remuneration of employees in the financial year;

Year	2014-15	2015-16	Increase
Median remuneration	1.04	0.94	(9.61%)

4. The number of permanent employees on the rolls of company;

423

5. The explanation on the relationship between average increase in remuneration and company performance;

Year	2014-15	2015-16	Increase
Company's performance EBITDA	1645.11	1921.98	16.83%
Employee Cost and Remn to Directors	960.85	1075.53	11.94%

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Year	2014-15	2015-16	Increase
Company's performance [EBITDA]	1645.11	1921.98	16.83%
Chairman & Managing Director	20.00	60.00	200.00%
Director	14.00	0.00	(100%)
CFO	--	4.51	100%
CS	3.31	3.41	3.02%
Total remuneration paid to KMPs	37.31	67.92	82.04%

VTM LIMITED

<table>
<tr><th>S.No</th><th>Particulars</th><th>Details</th></tr>
<tr><td>7.</td><td>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 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;</td><td>
<table>
<tr><td>Details as on 31st March</td><td>2014-15</td><td>2015-16</td><td>Increase</td></tr>
<tr><td>No of Shares</td><td>40227600</td><td>40227600</td><td>-</td></tr>
<tr><td>Share Price</td><td>20.90</td><td>27.00</td><td>29.18%</td></tr>
<tr><td>EPS</td><td>1.98</td><td>2.32</td><td>17.17%</td></tr>
<tr><td>PE Ratio (based on audited results)</td><td>10.56</td><td>11.64</td><td>10.22%</td></tr>
<tr><td>Company's Market Cap</td><td>8407.57 lakhs</td><td>10861.45 lakhs</td><td>29.18%</td></tr>
</table>
<u>For Listed Companies</u>
<table>
<tr><td>Details</td><td>Share Price at the Last Public Offer</td><td>Share price as at 31st March 2016</td><td>Increase</td></tr>
<tr><td></td><td>N.A.</td><td></td><td></td></tr>
</table>
</td></tr>
<tr><td>8.</td><td>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;</td><td>
<table>
<tr><td>Details</td><td>2014-15</td><td>2015-16</td><td>Increase</td></tr>
<tr><td>Employee cost (Excluding remuneration to Directors)</td><td>925.05</td><td>1013.70</td><td>9.58%</td></tr>
<tr><td>Remuneration to Directors</td><td>34.00</td><td>60.00</td><td>76.47%</td></tr>
</table>
</td></tr>
</table>

S.No	Particulars	Details
9.	The key parameters for any variable component of remuneration availed by the Directors;	Last year there was no Managing Director. The Managing Director was appointed during the year on 07th May,2015 whose remuneration is fixed by the Board and the same is within the statutory limits. The Commission payable varies according to the profitability of the Company.
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

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

1. 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.

2. Overview of projects or programs proposed to be undertaken:
   Focus areas relating to eradication of hunger and poverty, economic development, quality education, health care, conservation of environment and the creation, maintenance of infrastructure.

3. Web-link to the CSR policy and projects or programs - http://www.vtmill.com/CSRPolicy.pdf.

4. Composition of the CSR Committee.

#	Name of the Director (M/s.)	Designation	Status
1.	Sri T. Kannan	Chairman and Managing Director	Chairman
2.	Sri K. Thiagarajan	Non-Executive Director	Member
3.	Sri RM. Somasundaram	Independent Director	Member

5. Average net profit of the Company for last three financial years — Rs. 1409.60 lakhs

6. Prescribed CSR Expenditure (2% of the amount as in item 5 above) — Rs. 28.19 lakhs

7. Details of CSR spent during the financial year

   (a) Total amount to be spent for the financial year — Rs.28.19 lakhs

   (b) Amount unspent, if anyNot Applicable

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

S.No.	Name of the Implementing Agency: 1. Project No.1 - Cuddalore Project 2. Project No.2 - Corpus Contribution to a Charitable Trust	Direct Kalaithanthai Karumuttu Thiagaraja Chettiar Memorial Charitable Trust through Thiagarajar College of Engineering
1	CSR Project or activity identified - Reference to Item No. to Schedule VII	(I) Eradicating hunger, poverty, promoting preventive healthcare and sanitation and making available safe drinking water; (ii) Promotion of Education, including special education and employment enhancing vocational skills especially among children, women and livelihood enhancement projects; (iii) Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups; (iv) ensuring environment sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water; (v) rural development projects
2	Sector in which the Project is covered	Project I - Eradication of hunger and poverty during the flood havoc by distribution of food, cloth, medicines and other daily needed materials. Project II Promotion of Education (a) Conservation of buildings, renovation of class- rooms and renovation of auditorium in the college premises. (b) Purchase of infrastructure viz. Class-room furniture, laboratory equipments, computers and servers, school buses, re-laying of roads within the campus, etc. © Construction and preservation of play grounds, sports facilities and other infrastructure facilities belonging to the college. (d) Purchase of technical books for the library.
3	Areas in which Projects / Programmes undertaken:	
4	Local Area / Others:	Project I - Other Area Project II - Other Area
	State & district :	Project I -Tamil Nadu:Cuddalore District Project II -Tamilnadu:Madurai District
	Amount outlay (budget) project or program-wise:	Project I - Rs. 3.25 lakhs Project II - Rs. 25.00 lakhs

5	Amount spent on the projects or programmes:	Project I - Rs. 3.25 lakhs Project II - Rs. 25.00 lakhs
6	Sub-heads:	
	Direct expenses On projects / programs:	Project I - Rs. 3.25 lakhs Project II - Rs. 25.00 lakhs
	Overheads:	
7	Cumulative expenditure upto the reporting period:	Project I - Rs. 3.25 lakhs Project II - Rs. 25.00 lakhs

8. 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

9. 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 & Managing Director and
Chairman of CSR Committee

Annexure VIII

Chairman & Managing Director's Certificate

Annual Certificate under Regulation 34(3) read with Part D of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015

DECLARATION

As required under Regulation 34(3) read with Part D of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015, 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, 2016.

T. Kannan
Chairman & Managing Director

Annexure IX

Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

We, T. Kannan, Chairman and Managing Director and V. Sundaramoorthy, Chief Financial Officer of the Company certify that -

A. We have reviewed Financial Statements and Cash Flow Statement for the year ended 31.3.2016, and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify those deficiencies.

D. We have indicated to the Auditors and the Audit Committee that:

   (i) there are no significant changes in internal control over financial reporting during the year.

   (ii) there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (iii) there are no instances of fraud of which we became aware and the involvement therein if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

T. KANNAN
Chairman and Managing Director

Date : 09.05.2016
Place : Madurai

V. Sundaramoorthy
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VTM LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s.VTM LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended on that date and a summary of the 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 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.

Auditors' 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.

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 Auditors' 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 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2016 and its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order 2016 issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Companies Act 2013, We give in the Annexure, a statement on matters specified in paragraph 3 & 4 of the order.

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, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.

G) In our opinion and according to the size, the Company has laid down necessary internal Financial controls and such financial controls appear to be adequate and operating effectively with the policiesand procedures laid down by the Company in respect thereof.

H) With respect to the other matters to be included in the Auditors' 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 does not have any pending litigations which would impact its financial position.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Peri Thiagaraj & Co.,**
Chartered Accountants
(Firm Regn. No.002636S)

T.Kalairaj
Partner
(Membership No.023840)

Place: Madurai
Date: May 09, 2016

Annexure Referred to in our Report to the Shareholders of VTM LIMITED

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, these assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification and the Title Deeds of the immovable properties are held in the name of the Company.

2. The Company has conducted physical verification of stock of inventories at reasonable intervals and there was no material discrepancies noticed on physical verification of stocks.

3. The Company has not granted any loans secured or unsecured to Companies, Firms or other parties as listed in the register maintained under Section 189 of the Companies Act, 2013.

4. A) The Company has neither directly nor indirectly granted any loan including any loan represented by a book debt to any of its Directors or to any person in whom the Directors are interested or given guarantee or provided any security in connection therewith.

   B) 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 number 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 and such terms and conditions are not prejudicial to the Company's interest.

5. The Company has not accepted any deposit as at March 31, 2016.

6. The Company is maintaining the cost records as required to be maintained under Section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained.

7. A) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any Other statutory dues to appropriate authorities which are outstanding as at March 31, 2016 for the period of more than six months from the date they became payable.

   B) The Company has disputed Tax demand as at March 31, 2016 as stated in Note No.2.

8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any banks where from the Company availed loans.
9. During the year, the Company has not raised any money by way of intial public offer or further public offer (including debt instruments). The Company has obtained term loans from Banks and the same has been applied for the purpose for which it has been availed.
10. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
11. The Company has paid managerial remuneration in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
12. As the Company is not a Nidhi company, Clause (xii) is not applicable to the Company.
13. All transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the required details have been disclosed in the Financial Statements as required in the Accounting Standards.
14. During the year, the Company has not made any allotment of shares or debenture.
15. During the year, the Company has not entered into any non-cash transaction with Directors or persons connected with him.
16. As the Company is a manufacturing Company, the question of registration under Section 45IA of the Reserve Bank of India Act, 1934 does not arise.

For **Peri Thiagaraj & Co.,**
Chartered Accountants
(Firm Regn. No.002636S)

T.Kalairaj
Partner
(Membership No.023840)

Place: Madurai
Date: May 09, 2016

Annexure X : Remuneration Policy

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises the Chairperson and 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 interperson 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.

Remuneration Policy for Managing Director:

An appropriate level of remuneration may be set to ensure that the Company can appoint Managing Director of the necessary skill and experience by offering him market competitive remuneration reflecting his individual experience, role and contribution. The appointment may be for a tenure of such years from the date of his appointment not exceeding the period in terms of Section 196 and as prescribed under Schedule V to the Companies Act, 2013. The individual's performance will be reviewed annually by the Nomination and Remuneration Committee and recommended to the Board enabling it to decide the remuneration payable to the Managing Director.

The total remuneration package may be designed to provide an annual remuneration payable by way of commission and other perquisites as decided by the Board of Directors however, not exceeding 5% of the net profits of the company computed in accordance with the provisions of Sections 198 of the Companies Act, 2013 and as determined by the Board of Directors of the Company for each financial year within the maximum permissible limit. Further, in the event of his being Managing Director in any other company, such remuneration shall not exceed the higher maximum limit admissible from any one of these companies, in terms of Schedule V to the Companies Act, 2013.

The Managing Director is not entitled to sitting fees for attending meetings of Director or the Committees where he will be the Chairman/Member. He is entitled to have Chairman's Office at his convenience at company's expenses.

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 1% 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.

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.

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.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Rs in Lakhs)

Particulars	Year ended 3/31/2016		Year ended 3/31/2015	
Cash flows from operating activities				
Profit before taxation		1382		1108
Adjustments for:				
Depreciation and amortization expense	516		519	
Interest received	(12)		(81)	
Dividends received	(154)		(52)	
Interest expenses	24		18	
		374		404
		1756		1512
(Increase)/ decrease in Long Term Borrowings	(173)		363	
Increase/ (decrease) in Trade payables	(6)		(96)	
(Increase)/ decrease in Other Current Liablities	70		(11)	
(Increase)/ decrease in Short Term Provisions	24		14	
(Increase)/ decrease in Current Investments	(2)		(3327)	
(Increase)/ decrease in Inventories	(1)			
(Increase)/ decrease in Trade and other receivables	(620)		(134)	
(Increase)/ decrease in Other Current Assets	(76)		1	
Sale of Investments	3327		1700	
		2544		(1490)
		4300		22
Income taxes paid		706		427
Net cash from operating activities		3594		(405)
Cash flows from investing activities				
Purchase of property, plant and equipment	(389)		(328)	
Proceeds from sale of property, plant and equipment	5		7	
Purchase of investments	-		-	
Interest received	12		81	
Dividend received	154		52	
Net cash from investing activities		(218)		(189)
Cash flows from financing activities				
Capital Subsidy received from TUF Scheme			124	
Repayment of short term borrowings	(1)		(156)	
(Increase)/ decrease in Long Term Loans & Advances	108		109	
Interest paid	24		18	
Net cash from financing activities		131		95
Net increase/(decrease) in cash and cash equivalents		3165		(689)
Cash and cash equivalents at beginning of reporting period		937		1626
Cash and cash equivalents at end of reporting period		4102		937
Cash & Cash equivalents:				
Cash and cash equivalents consist of cash on hand and balances				
Cash on hand and bank balances		4102		937
Short term investments		-		-
Cash and cash equivalents as reported		4102		937
Effect on exchange rate changes		-		-
Cash and cash equivalents as restated		4102		937

For and on behalf of the Board

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

Kappalur,
Madurai.
May,9,2016

T.KANNAN	**RM.SOMASUNDARAM**	**T.KALAIRAJ**	**S.PARAMASHIVAN**	**V.SUNDARAMOORTHY**
Chairman & Managing Director	Director	Partner Membership No.023840	Company Secretary	Chief Financial Officer

To

The Board of Directors,
VTM LIMITED

We have examined the above Cash Flow Statement of VTM Limited for the year ended March 31, 2016. 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 May 09, 2016 to the members of the Company.

For **Peri Thiagaraj & Co.,**
Chartered Accountants
(Firm Regn. No.002636S)

T.Kalairaj
Partner
(Membership No.023840)

Place: Madurai
Date: May 09, 2016

BALANCE SHEET AS AT MARCH 31, 2016

(Rs in Lakhs)

Particulars	Note No.	As at 31-03-2016 Rs.	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.	As at 31-03-2015 Rs.
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	402.28		402.28	
(b) Reserves and Surplus	2	12,083.08		11,514.56	
			12,485.36		11,916.84
(2) Non - current liabilities					
(a) Long term borrowings	3	354.00		526.70	
(b) Deferred tax liabilities (Net)	4	597.10		512.64	
(c) Other long term liabilities	5	-		-	
(d) Long term provisions	6	19.38		0.00	
			970.48		1,039.34
(3) Current Liabilities					
(a) Short term borrowings	7	174.12		173.32	
(b) Trade payables	8	211.46		217.57	
(c) Other current liabilities	9	154.66		84.17	
(d) Short term provisions	10	150.75		433.32	
			690.99		908.38
TOTAL			14,146.83		13,864.56
II. ASSETS					
(1) Non - current assets					
(a) Fixed Assets					
(i) Tangible assets	11	4,432.00		4,682.01	
(ii) Capital work in progress		318.42		200.34	
		4,750.42		4,882.35	
(b) Non - current investments	12	23.62		37.87	
(c) Long term loans and advances	13	109.15		216.75	
			4,883.19		5,136.97
(2) Current Assets					
(a) Current Investments	14	1.58		3,327.48	
(b) Inventories	15	2,344.44		2,343.10	
(c) Trade receivables	16	2,348.93		1,729.26	
(d) Cash and cash equivalents	17	4,101.92		937.23	
(e) Short term loans and advances	18	466.77		390.52	
			9,263.64		8,727.59
TOTAL			14,146.83		13,864.56

For and on behalf of the Board

Kappalur,
Madurai.
May,9,2016

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

T.KANNAN	RM.SOMASUNDARAM	T.KALAIRAJ	S.PARAMASHIVAN	V.SUNDARAMOORTHY
Chairman & Managing Director	Director	Partner, Membership No.023840	Company Secretary	Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Rs in Lakhs)

	Particulars	Note No.	As at 31-03-2016 Rs.	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.	As at 31-03-2015 Rs.
I.	Revenue from Operations	19		15408.55		16782.27
II	Other Income	20		513.94		318.89
III	Total revenue (I + II)			15922.49		17101.16
IV	Expenses					
	Cost of materials consumed	21	11396.95		12755.04	
	Changes in inventories of finished goods, work in progress	22	-97.41		44.46	
				11299.54		12799.50
	Employees benefits expense	23		1013.70		925.05
	Finance costs	24		23.90		17.63
	Depreciation and amortization expense	25		515.77		519.05
	Other expenses	26		1687.27		1731.51
	Total Expenses			14540.18		15992.74
V	Profit/(Loss) before tax (III-IV)			1382.31		1108.42
VI	Tax expense:					
	(1) Current tax		400.00		280.00	
	(2) Tax in respect of earlier Years		(33.93)		(0.03)	
	(3) Deferred tax		84.46		32.00	
				450.53		311.97
VII	Profit/(Loss) for the period			931.78		796.45
VIII	Earning per equity share:					
	Face Value Per share			1.00		1.00
	(1) Basic			2.32		1.98
	(2) Diluted			2.32		1.98

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

For and on behalf of the Board

Kappalur,
Madurai.
May,9,2016

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

T.KANNAN	RM.SOMASUNDARAM	T.KALAIRAJ	S.PARAMASHIVAN	V.SUNDARAMOORTHY
Chairman & Managing Director	Director	Partner, Membership No.023840	Company Secretary	Chief Financial Officer

1. Share Capital:

(Rs in Lakhs)

Particulars	As at 31-03-2016 Number	Value	As at 31-03-2015 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:

1. The company has issued only one class of shares referred to as equity shares having paid up value of Re1/- per share and each shareholder is entitled to one vote per share.
2. 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.
3. 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.
4. The Company has no Holding nor any Subsdiary Company.
5. 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.
6. The Company splitted its Rs.10/- paid up shares into Re.1/- paid up shares in October, 2012.
7. Equity shares include:

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

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)
As at

Particulars	3/31/2016	3/31/2015
Capital Reserve:		
Balance as at the 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 at the beginning of the year	124.48	-
Add: Addition during the year	-	124.48
Balance at the end of the year	**124.48**	124.48
Revaluation Reserve:		
Balance as at the beginning of the year	50.88	51.02
Less: Utilized during the year	0.13	0.13
Balance at the end of the year	**50.75**	50.89
General Reserve		
Balance as at the beginning of the year	11,074.91	10,620.00
Less: Transitional Adjustment for Depriciation prior to 01-04-2014 (Vide Note No.3 - AS-6)		(45.09)
Add: Addition during the year	500.00	500.00
Balance at the end of the year	**11,574.91**	11,074.91
Surplus in the statement of Profit and Loss		
Balance as at the beginning of the year	263.66	273.67
Add: Profit for the year	931.78	796.45
	1,195.44	1,070.12
Less : Appropriations		
Transfer to General Reserve	(500.00)	(500.00)
Interim Dividend @ Re.0.75 per Re.1/- share	(301.70)	-
Dividend @ Re.0.63 (0.70) per Re.1/- share		(253.43)
Tax on Dividend	(61.42)	(53.03)
Net surplus in the statement of profit and loss	**332.32**	**263.66**
Total Reserves & Surplus	**12,083.08**	**11,514.56**

Non Current Liabilities :

3 Long term Borrowings

(Rs in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
1) **Secured Loans:**		
Term Loans		
- from Banks	254.00	426.00
	254.00	**426.00**
2) **Unsecured Loans:**		
Lease Rent Advance	100.00	100.70
	100.00	**100.70**
3) **Total long term borrowings (1+2)**	**354.00**	**526.70**

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. Term loan out of 426 lakhs a sum of Rs.172 lakhs payable during the year is shown in short termborrowings

Particulars	As at 31-03-2016	As at 31-03-2015
4) **Deferred tax liability:**		
On account of depreciation on fixed assets	597.10	512.64
Total	597.10	512.64
5) **Other Long term liabilities**		
a) Trade Payables	-	-
	-	-
6) **Long term Provisions**		
a) Provisions for employee benefits	-	-
b) Others -provision for taxation (Net of Taxes)	19.38	-
	19.38	-

7. Short term Borrowings

(Rs in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
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	172.00
	172.00	**172.00**
2) **Unsecured Loans:**		
a) Other Loans and advances		
- Security Deposit	2.12	1.32
	2.12	**1.32**
Total	**174.12**	**173.32**

Additional Information:

a) Term loan under TUF Scheme availed from State Bank of India by securing first charge on the specific assets procured under TUF Scheme.

b) Cash Credit and other facilities are secured against hypothecation of stock of raw materials, goods in process,finished goods, stores.

c) No loans have been guaranteed by Directors or Others.

Particulars	As at 31-03-2016	As at 31-03-2015
8) Trade Payables		
Other than Micro, Small and Medium Enterprises	211.46	217.57
	211.46	**217.57**
9) **Other current liabilities:**		
a) Unpaid dividends	94.66	50.17
b) Lease Rent Advance	0.00	0.00
c) Remuneration Payable to Chairman & MD	60.00	34.00
	154.66	**84.17**
10) **Short term provisions:**		
a) Provision for employee benefits	150.25	126.54
b) Others - Audit Fees & Rent payable	0.50	0.32
Proposed Dividend		253.43
Dividend Distribution Tax		53.03
	150.75	**433.32**

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 themanagement.

NOTES TO FINANCIAL STATEMENTS

11. Fixed Assets:

(Rs in Lakhs)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01-04-2015	Additions for the year	Deductions during the year	As at 31-03-2016	As at 01-04-2015	Withdrawn	For the year	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
Tangible Assets										
Own assets										
Land	90.39	0.00	0.00	90.39	0.00	0.00		0.00	90.39	90.39
Buildings	1464.01	60.91	0.00	1524.92	475.36	1.97	48.68	522.07	1002.85	988.65
Plant & Machinery	14413.31	204.91	6.71	14611.51	11031.59	0.00	449.61	11481.20	3130.31	3381.72
Furniture & Fixtures	91.93	3.33	0.00	95.26	73.90	0.00	2.46	76.36	18.90	18.03
Vehicles	141.35	0.55	6.61	135.29	81.52	0.00	12.72	94.24	41.05	59.83
Office equipment	24.46	1.29		25.75	9.21	6.25	2.43	5.39	20.36	15.25
Assets taken on finance lease										
Land	128.14			128.14	0.00			0.00	128.14	128.14
TOTAL	16353.59	270.99	13.32	16611.26	11671.58	8.22	515.90	12179.26	4432.00	4682.01
Capital Work-in-Progress	200.34	118.08		318.42					318.42	200.34
Total for the year	16553.93	389.07	13.32	16929.68	11671.58	8.22	515.90	12179.26	4750.42	4882.35
Less: Transferred to Revaluation Reserve							0.13			
							515.77			

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 3/31/2016	As at 3/31/2015
a) **Investments in Equity Instruments:**				
i) Associates-Trade				
Fully paid up (Unquoted)	Thiagarajar Mills Private Limited	70140	4.22	4.22
	Colour Yarns Limited	106000	10.60	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.	19840	1.98	2.00
	Suryadev Alloys and Power Private Ltd.,	775		0.91
	OPG Power Generation Pvt Ltd.,		3.08	
	Total		23.62	37.87

Additional Information:

1) Aggregate value of quoted investments:		
Cost	3.74	3.74
Market Value	0.57	1.47
2) Aggregate value of unquoted investments:		
Cost	19.88	34.13

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	As at 3/31/2016	As at 3/31/2015
13. Long term loans and advances:		
i) Security Deposits	70.92	149.60
ii) Loans & advances other than related parties	38.23	13.94
iii) Others -provision for taxation (Net of Taxes)	-	53.21
	109.15	**216.75**
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	**109.15**	**216.75**
iii) Doubtful	-	-
Total	**109.15**	216.75
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	No of Units	As at 3/31/2016	No of Units	As at 3/31/2015
Investment in Mutual Fund (Fully Paid)				
1 Kotak FMP Series 158-Growth		-	1500000	150.00
2 HDFC Income Fund -Growth		-	67476072	1200.00
3 Reliance Dynamic Bond Fund - Growth		-	2901333	527.48
4 Reliance Income Fund - Growth		-	1768488	800.00
5 Birla Sunlife Income Plus - Growth		-	811948	500.00
6 UTI Fixed Term Income Fund Series XVII - XVIII 366 Days Growth		-	1500000	150.00
7 Saheli Exports Private Ltd (Face Value Rs.10)	15800	1.58		
		1.58		**3,327.48**

Additional Information:

Aggregate value of quoted investments:

Cost		3,327.48
Market Value	-	3,448.97

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
15. Inventories:		
i) Raw materials - Yarn	875.00	857.00
ii) Work in progress - Yarn	331.61	417.77
Work in progress - Cloth	71.71	77.35
iii) Finished goods - Cloth	937.03	836.96
- Waste	4.00	1.00
iv) Stores and spares	125.08	153.01
v) Loose tools	0.01	0.01
	2,344.44	**2,343.10**
16. Trade receivables:		
i) Trade receivables exceeding six months	40.05	49.24
ii) others	2,308.88	1,680.02
	2,348.93	**1,729.26**
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	**2,348.93**	**1,729.26**
iii) Doubtful	-	-
Total	**2,348.93**	**1,729.26**
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	4,005.61	285.25
- in unpaid dividend accounts	94.73	50.17
- in deposit accounts not exceeding 12 months maturity	-	600.00
iii) Cash on hand	1.58	1.81
	4,101.92	**937.23**
18. Short term loans and advances:		
Loans and advances - Other than related parties	466.77	390.52
	466.77	**390.52**

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	Year ended 3/31/2016	Year ended 3/31/2015
19 Revenue from operations:		
i) Sale of products		
Cloth	15204.34	16587.79
Yarn and Cloth Waste	25.10	36.12
Total	15229.44	16623.91
ii) Sale of services	59.65	38.66
iii) Other operating revenues	119.46	119.70
	15408.55	**16782.27**
20 Other Income:		
i) Interest income	12.40	80.67
ii) Dividend Income		
From Long Term Investments		
From Current Investments	153.55	52.47
iii) Profit on sale of fixed assets (Net)	2.90	0.26
iv) Profit on sale of Investments	308.91	159.05
vi) Other non operating income	36.18	26.44
	513.94	**318.89**
21 Cost of materials consumed:		
i) Consumption of raw materials	10441.21	11873.90
ii) Consumption of stores and spare parts	891.56	831.21
iii) Bleaching and Processing Charges - Cloth	64.18	49.93
	11396.95	**12755.04**
22 Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year		
i) Work in progress:		
Cloth in Process	71.71	77.35
Total	71.71	77.35
ii) Finished goods		
Cloth	937.03	836.96
Waste	4.00	1.01
Total	941.03	837.97
	1012.74	915.32
Stocks at the beginning of the year		
i) Work in progress:		
Cloth in Process	77.35	47.86
Total	77.35	47.86
iii) Finished goods		
Cloth	836.97	906.01
Waste	1.01	5.91
Total	837.98	911.92
	915.33	959.78
Changes in inventories of finished goods, work in progress and stock in trade:	(97.41)	44.46

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	Year ended 3/31/2016	Year ended 3/31/2015
23 Employee Benefits Expense:		
i) Salaries and wages	778.05	678.30
ii) Contribution to Gratuity Fund	7.14	18.11
iii) Contribution to provident and other funds	59.50	50.11
iv) Staff welfare expenses	169.01	178.53
	1013.70	**925.05**
24 Finance Costs:		
i) Interest on Term Loan	23.90	10.35
ii) Interest - Banks		7.28
iii) Interest - Others	0.00	0.00
	23.90	**17.63**
25 Depreciation and amortization:		
i) Depreciation	515.77	519.05
ii) Amortization of intangible assets	-	-
	515.77	**519.05**
26 Other expenses:		
i) Power and fuel	1011.83	977.29
ii) Rent	12.82	12.62
iii) Repairs to buildings	73.30	80.22
iv) Repairs to machinery	123.93	133.52
v) Insurance	11.37	10.41
vi) Rates and taxes	15.04	30.84
vii) Payment to the auditors		
- as auditor	0.25	0.28
- for Certification & Other Services	0.03	0.11
- for reimbursement of expenses	0.10	0.10
viii) Selling expenses	115.80	163.37
ix) Brokerage expenses	113.90	140.63
x) Loss on sale of fixed assets	-	1.48
xvii) Loss on sale of Investments	2.23	0.14
xviii) Donations	25.00	50.00
xix) CSR Expenditure	28.25	27.00
xx) Legal and professional charges	11.97	13.78
xxi) Directors sitting fees & Travelling Expenses	1.91	1.80
xxii) Commission to Chairman & Managing Director	60.00	34.00
xxii) Miscellaneous Expenses	79.54	53.92
	1687.27	**1731.51**

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	Year ended 3/31/2016	Year ended 3/31/2015
27 Additional Information:		
a) Value of Imports calculated on CIF basis:		
i) Raw Materials	0.00	0.00
ii) Components and spare parts	247.24	211.61
iii) Packing Materials	0.00	0.00
iv) Capital goods	88.23	112.79
b) Expenditure in foreign currency: (net of withholding tax)		
Other matters - Commission	22.18	39.68
- Travelling Expenses	7.74	0.00

c) Sl No	Particulars	Amount	% to total	Amount	% to total
i)	Value of raw materials consumed				
a)	Imported	0.00		0.00	-
b)	Indigenous	10441.21	100.00%	11873.90	100.00%
ii)	Value of Stores and Spares consumed				
a)	Imported	256.66	28.79%	240.41	28.92%
b)	Indigenous	634.90	71.21%	590.80	71.08%
		11332.77		12705.11	

Particulars	Year ended 3/31/2016	Year ended 3/31/2015
d) Details of non-resident shareholdings		
i) Number of non-resident share holders	52	13
ii) Number of shares held by non-resident shareholders	956424	917349
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)		642144
Final Dividend 2014-15	571362	
Inerim Dividend`2015-16	717318	-
e) Earnings in foreign exchange:		
i) Export of goods calculated on FOB basis	2493.99	2725.28
28 Earnings per share:		
Profit for the year after tax	931.78	796.45
Number of equity shares	40,227,600	40,227,600
Face Value per share (Re./Rs.)	1.00	1.00
Earning per share - Rs.	2.32	1.98

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	As at 31-03-2016	As at 31-03-2015
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	531.34	389.93

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.

	As at 31-03-2016	As at 31-03-2015
b) Commitments: Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (net of advances)	0	0

Additional information:

	As at 31-03-2016		As at 31-03-2015	
Proposed dividends:	Amount per Re.1/- share	Total	Amount per Re.1/- share	Total
Amount of dividends proposed to be distributed to equity share holders	-	-	0.63	25,343,388

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 – 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.

f) Income of Profit on sale of investments have been accounted on the basis of realisation.

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 31.03.2016, 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, 2016 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

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:

		31.03.2016 (Rs. in Lakhs)	31.03.2015 (Rs. in Lakhs)
(i)	**Changes in present value of obligations**		
	Present value of obligations as at the beginning of the year	103.03	85.35
	Interest Cost	7.97	7.65
	Current Service Cost	6.85	6.26
	Benefits Paid	(-)1.79	(-)2.38
	Actuarial (gain)/loss on obligation	(-)8.08	6.12
	Present value of obligations as at the end of the year	107.97	103.03
(ii)	**Changes in Fair Value of plan assets**		
	Fair value of plan assets as at the beginning of the year	8.43	8.39
	Expected return on plan Assets	0.60	0.67
	Contributions	0.00	2.42
	Benefits Paid	(-)1.79	(-)2.38
	Actuarial Loss /(Gain) on Plan Assets	(-)0.60	(-)0.67
	Fair value of plan assets as at the end of the year	6.64	8.43
(iii)	**Amounts to be recognized in the Balance Sheet**		
	Present value of obligations as at the end of the year	107.97	103.03
	Fair Value of Plan Assets as at the end of the year	6.64	8.43
	Funded Status	(-)103.33	(-)94.59
	Net Asset / (Liability) recognized in the Balance Sheet	(-)101.33	(-)94.59
(iv)	**Expense recognized in the Statement of Profit and Loss**		
	Current Service Cost	6.85	6.26
	Interest Cost	7.97	7.66
	Expected return on Plan Assets	(-)0.60	(-)0.67
	Net Actuarial (gain)/loss on Plan Assets for the Period	(-)7.47	6.79
	Expense recognized in the statement of Profit and Loss	6.74	20.05
(v)	**Percentage of major category of plan assets to total plan assets as at the end of the year**		
	Bank Balance	0.0	8.18%
	Others	100.00%	91.82%
(vi)	**Assumptions:**		
	Discount Rate	7.90%	7.80%
	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.-6-

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 M/s. Colour Yarns Limited, ceased to be an Associate company on and from 28.03.2016 and as such these standards are not applicable to the company.

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

As on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of such assets. Hence there is no impairment loss on the assets of the company.

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.-8-

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, 2016 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/-	2001-02	STAT, Tamil Nadu
2.	Income Tax Act	Tax Demand	2,26,97,250/-	2012-13	CIT Appeals, Madurai
3.	Income Tax Act	Tax Demand	2,45,70,350/-	2013-14	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
Associate Company: M/s. Colour Yarns Limited (Till 27.03.2016)

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

(A) Key Managerial Personnel & their Relatives:

(i) Sri T. Kannan - Chairman and Managing Director
Dr.(Smt.) Uma Kannan - Director
Sri K. Thiagarajan - Director

(ii) Sri S. Arunagiri - (From 05.09.2015 to 07.03.2016)
(iii) Sri V. Sundaramoorthy (From 01.04.2016)
(iv) 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. Colour Yarns Limited

(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	5.70

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

	(Rs. in Lakhs)
a. Remuneration	60.00
b. Sitting Fees	0.24

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

	(Rs. in Lakhs)
a. Purchase of Materials	2561.61
b. Sale of materials	35.05
c. Availing of services	48.95
d. Lending of services	60.79
e. Contributions	50.00

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

	As on 31.3.2015	During the year	As at 31.3.2016
Deferred Tax Liabilities: Difference between book and Tax depreciation	512.64	84.46	597.10

Previous year's figures have been regrouped wherever necessary.

5. Information required to be furnished by notification of Department of Company Affairs dated 30th October,1973.

(Figures in Lakhs)

		31.03.2016	Value Rs.	31.03.2015	Value Rs.
(i) Sales:					
Cloth	Mtrs.	178.45	15204.34	189.72	16587.79
Yarn Waste	Kgs.	1.11	25.10	1.28	36.12
(ii) Raw Materials consumed:					
Yarn	Kgs.	37.17	10441.21	40.93	11873.90
(iii) Opening stock of finished goods:					
Cloth	Mtrs.	9.19	836.96	10.68	906.01
Yarn Waste	Kgs.	0.04	1.00	0.20	5.91
(iv) Closing stock of finished goods					
Cloth	Mtrs.	11.95	937.03	9.19	836.96
Yarn Waste	Kgs.	0.15	4.00	0.04	1.00
(v) Purchases					
Cloth	Mtrs.	0.28	16.79	0.27	36.99
(vi) Licensed and Installed capacities: (Number of Looms)					
Licenced Capacity		(Not Applicable)		(Not Applicable)	
Installed Capacity		270 Nos.		270 Nos.	
(vii) Actual Production:					
Cloth (on own account)	Mtrs.	180.93		187.96	
Cloth (on others)	Mtrs.	3.08		0.89	
Production by outside establishment from cotton Yarn supplied by the co.					
Cloth	Mtrs.	-		-	
(viii) CIF Value of Imports:					
Spare parts			247.24		211.61
Capital Goods			88.23		112.79
Raw Materials			-		-
Packing Materials			-		-
(ix) Expenditure in foreign currency:					
Commission (accrual basis)			26.88		40.27
Travelling Expenses			7.74		-
Other matters			-		-
(x) Value of rawmaterial Consumed:					
Imported			-		-
Indigenous			10441.21 (100%)		11873.90 (100%)
(xi) Value of stores and spares consumed:					
Imported			256.66 (28.79%)		240.41 (28.92%)
Indigenous			634.90 (71.21%)		590.80 (71.08%)
(xii) Amount remitted during the year in foreign currency on account of Dividends			-		-
(xiii) Earnings in foreign exchange:					
On account of export of goods:					
Direct Export (FOB value)			2493.99		2725.28
Merchant Exports			-		-

6. Previous year's figures have been regrouped wherever necessary

Signatures to Schedules and Notes

For and on behalf of the Board

Kappalur,
Madurai.
May,9,2016

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

T.KANNAN Chairman & Managing Director

RM.SOMASUNDARAM Director

T.KALAIRAJ Partner Membership No.023840

S.PARAMASHIVAN Company Secretary

V.SUNDARAMOORTHY Chief Financial Officer

VTM LIMITED

PROXY FORM

Form No.MGT-II

(CIN : L17111TN1946PLC003270)
Regd. Office : Sulakarai, Virudhunagar – 626 003
Email : office@vtmill.com ; Website : www.vtmill.com
Phone : (04562) 234800/234801

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 69th Annual General Meeting of the Company, to be held on Monday, 27th June, 2016 at 10.00AM at Sulakarai, Virudhunagar and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS	Optional*	
Ordinary Business	For	Against
1. Adoption of Financial Statements for the year ended 31st March 2016		
2. Re-appointment of Mr.K. Thiagarajan as Director, who retires by rotation		
3. Appointment of M/s. Peri Thiagaraj & Co., Chartered Accountants, as Auditors and fixing their remuneration.		
Special Business		
4. Appointment of Mr.K. Vethachalam as Director		
5. Resolution u/s. 148 of the Companies Act, 2013 for ratification of fees payable to Cost Auditor		

Signed this .... Day of 2016

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 69th 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.

VTM LTD.

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	31st March 2016
3.	Type of Audit observation	Un modified & Unqualified opinion.
4.	Frequency of observation	Whether appeared first time . . / repetitive. – **No qualificatory remarks in Audit Report.**
5.	To be signed by- • Chairman & Managing Director • CFO • Auditor of the Company • Audit Committee Chairman	For VTM LIMITED (T. Kannan) Chairman & Managing Director For VTM LIMITED V. SUNDARAMOORTHY Chief Financial Officer For PERI THIAGRAJ & CO., CHARTERED ACCOUNTANTS Firm Registration No. 002636S Partner T.KALAIRAJ Chartered Accountant Membership No: 023840 for VTM LIMITED R.M. SOMASUNDARAM Audit Committee Chairman

Chairman's Office : Thiagarajar Mills Premises, KAPPALUR - 625 008. Madurai, India.
Regd. Office : SULAKARAI, Virudhunagar - 626 003.

CIN No. : L17111TN1946PLC003270
TIN No. : 33495800034
CST No. : 493901 Dt. 05.10.1957
PAN No. : AAACV3775E

Phone : 91-452-2482595 (4 lines)
91-4549-280591 / 280620
Fax : 91-452-2482590 / 2486085
Email : office@tmills.com
vtac@vtmill.com