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 2017
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 Thiagaraj & Co (Chartered Accountants) T.Kalairaj partner M.No:023840 for VTM LIMITED RM. 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

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vtac@vtmill.com

VTM LIMITED

Annual Report 2016 - 2017

VTM LIMITED

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. Paramasivam

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 Seventieth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at Sulakarai, Virudhunagar on Friday, 23rd day of June, 2017 at 12.00 Noon to transact the following business:

AGENDA

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2017 and the Profit & Loss Statement for the year ended on that date and the reports of the Directors and the Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in the place of Smt. Uma Kannan who retires by rotation and being eligible offers herself for re-appointment.
4. To consider and if thought fit, with or without modification, to pass the following resolution as ordinary resolution:

"RESOLVED that pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereon, and M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai (ICAI Firm Regn. No.004915S/S200036), be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of this Meeting until the conclusion of the Seventy fifth Annual General Meeting of the Company subject to ratification of appointment every year by the members of the Company and the remuneration for each year be fixed by the Board of Directors in consultation with the statutory auditors.

AS SPECIAL BUSINESS :

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

RESOLVED that pursuant to the 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 payment of remuneration of Rs.30000/- plus applicable service tax and out of pocket expenses actually incurred during the course of audit to Mr. M. Kannan, Cost Accountant (Regn. No. 9167) for auditing the cost records and furnishing of Report thereon for the Financial Year 2017-18 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 12th June, 2017 to 23rd June, 2017 (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. Members are requested to note that the dividends not encashed or remaining unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred u/s. 124 of the Companies Act, 2013 to the Investor Education and Protection Fund (IEPF) established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the MCA.
6. The Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by it from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

7. Members who have not encashed their dividend warrants for the financial year ended 31.03.2010 are requested to make their claim on or before 15.07.2017and for financial yearended 31.3.2011on or before 25.02.2018 being the due date for such transfers. The members can make a claim with the company in respect of thedividends of subsequent years that are lying in the Unpaid Dividend Account of theCompany.

8. Members are requested to note that pursuant to the provisions of the Companies Act, 2013, SEBI Listing Regulations and the IEPF Rules, all such shares in respect of which dividends have not been paid or claimed for seven consecutive years or more are also required to be transferred to IEPF. The company is taking steps for sending individual notices to the concerned shareholders and for publishing of a public notice to shareholders under the IEPF Rules in this regard.

9. Statutory Auditors M/s. Peri Thiagaraj & Co., (Firm Regn. No. 002636S) holds office till the ensuing Annual General Meeting and are not eligible for reappointment. Accordingly, the Board of Directors has recommended the appointment of M/s.CNGSN & Associates LLP, Chartered Accountants, Chennai (Firm Regn. No.004915S/S200036) as Statutory Auditors, in place of the retiring auditors for a period of five years from the conclusion of this Annual General meeting until the conclusion of seventy fifth Annual General Meeting, subject to ratification of their appointment by the members at every Annual General Meeting.

10. 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.

11. 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.

12. Electronic copy of the Annual Report for the year 2016-17 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.

VTM LIMITED

13. Electronic copy of the Notice of the 70th 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 70th 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.

14. Members may also note that the Notice of the 70th Annual General Meeting and the Annual Report for the year 2016-17 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.

15. 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 70th 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:

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 overleaf). 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 mandatorily 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 specialcharacter (@#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 entera 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).

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xii) Corporate/ Institutional Members (i.e other than Individuals, HUF,NRI, etc.) are alsorequired to send scanned certified true copy (PDF Format) of the Board Resolution / uthority 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) can also vote using e-voting method.

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, 31st May, 2017.

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 16 , 2017 shall be entitled to avail the facility of remote E-voting/ballot

The e_voting period starts on 19th June, 2017 (9;00am) and ends on 22nd June, 2017(6;00pm).

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) witnesses 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:

The Board, at its meeting held on 30th April, 2017, 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.30,000/- as remuneration payable to him, for the financial year 2017-18.

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 Section 148(3) of the Companies read with the Companies (Audit and Auditors) Rules 2014.

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.4.

Accordingly, the Board recommends the ordinary resolution, as set out in item No.4, for ratification by the shareholders of the Company.

Kappalur, Madurai
April, 30, 2017

By order of the Board
T. KANNAN
Chairman

DIRECTORS' REPORT
FOR THE YEAR ENDED ON 31ST MARCH, 2017.

To the Members of VTM Limited

Your Directors have pleasure in presenting their 70th Annual Report along with the Audited statement of accounts for the year ended 31st March, 2017.

Operating & Financial Performance
Profits, Dividends & Retention

	2016 - 2017		2015 - 2016	
Turnover :-		14770		15409
Profit before Depreciation (after interest)		2606		1898
Less: Depreciation		729		516
		------		------
Profit after Depreciation		1877		1382
Less: Exceptional item		680		--
		------		------
Profit after exceptional item		1197		1382
Less: Provision for Taxation:				
Current Year	115		400	
Deferred Tax	48		84	
Taxation for earlier years	31		(34)	
	-----	194	-----	450
		------		-----
Profit after Tax		1003		932
Add: Amount brought forward		332		264
Available for appropriation		1335		1196
Appropriation :-				
Transfer to General Reserve				500
Interim Dividend @ Re .0. 75 per share			302	
Income Tax on Dividend			62	
	-----		-----	364
		-----		-----
Retained profit carried forward to the following year		1335		332
		-----		-----

During the year under review your Company improved its performance and clocked a Net Profit after tax of Rs. 10.03 Crores. Challenging market conditions prevailed during the first half of the year. Exports were at Rs.35.38 Crores against Rs.29.29 Crores thus showing a healthy uptick. Cotton yarn prices witnessed a strong upsurge during the last quarter and fabric prices are yet to adjust to those levels.

During the year under review, your Company has carried out a modernisation programme and has replaced 40 Nos. of wide width weaving machine with new generation state-of-the-art machines at a cost of about Rs.15.92 Crores. This will result in better quality and realisation in the current year.

Appropriation to General Reserve

During the year, the company has not appropriated any profits to General Reserve.

Dividend

Considering the profits for the year and as recommended by the Audit Committee, the Board of Directors are pleased to recommend a dividend of Re.0.75 per share i.e.75% on Equity Shares of Re.1/- each. The dividend together with dividend tax will entail a cash outflow of Rs.364 Lakhs in the current year (previous year Rs.364 Lakhs as interim dividend and dividend tax thereon). If this is approved at the forthcoming Annual General Meeting, dividend will be deposited with the bank within the time prescribed and dividend will be paid to those who are Members of the Company as on record date specified in this regard. The Book Closure period being 12th June, 2017 to 23rd June 2017 (Both days inclusive) in respect of shares held electronically, dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories.

Extract of Annual Return:

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

Associate Company:

The company does not have any body corporate as its Associate.

Change in the Nature of Business

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

Orders by Regulators or Courts

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

Material Changes Affecting the Financials

There were no material changes and commitments affecting the financial position of the Company occurring between March 31, 2017 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 to 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 certifies effectiveness of the internal control system, their adherence to Code of Conduct and Company's policies for which they are responsible, financial or commercial transactions, if any, where they have personal interest or potential conflict of interest. Internal Audit has been conducted on periodical basis.

Company's Policies

Company's Policies on Corporate Social Responsibility, Remuneration, Employee Concern (Whistle Blowing), the Code of Conduct applicable to Directors and Employees of the Company and policies such as Insider Trading Code, Insider Trading Fair Disclosure Code and Policy on Materiality of and dealing with Related Party Transactions required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 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 also holds a 5S Certification from AOTS Alumni 5S Forum of India and 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 passage of GST legislation is viewed as a major enabler towards ease of doing business. We expect that this will iron out the inefficiencies in the tax chain and result in a more positive business environment. The supply chains are expected to become more efficient.

The power situation continues to be comfortable on a Pan India basis and we are able to source competitively priced power.

During the year under review, textiles and clothing exports from India showed dismal growth rates and remained at stagnation levels. We hope that the global economic recovery which is now being witnessed will boost the export prospects for Indian Textiles.

The Company is taking steps for development and implementation of risk management policies. 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 and the uncertainity of monsoon and its consequential impact on the demand scenario.

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 has been appointed as Chairman and Managing Director duly recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. 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.

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

Smt Uma Kannan, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for reappointment as a Director of the Company. Being eligible, she 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 27th January, 2017.

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, 2017 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 V. Sundaramoorthy, Chief Financial Officer and

c) Sri S. Paramasivam, 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, 2017 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 of of SEBI (Prohibition of Insider Trading) Regulations, 2015 respectively and provided in the company's website at www.vtmill.com. Mr S. Paramasivam, 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, 2017 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, 2017, 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, 2017, 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.

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 and in 2015-16, the company has entered into contracts or arrangements with such number of related parties with the approval by the Board of Directors in respect of the following:

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

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

Corporate Social Responsibility Committee

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

The Committee met once during the year on 22nd March, 2017, to review the CSR policies, approve contributions for CSR Activities carried out during the year and approve for balance amounts to be spent for the Financial Year 2016-17.

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 promoting health care including preventive health care 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.1.32 lakhs towards conducting eye camp for the public nearby the mills as a preventive health care activity and contributed a sum of Rs.25.21 lakhs to a leading educational institution for development of infrastructure facilities in the Institution. The details of the project, amount of estimates and the contribution to the implementing agency has been shown in Annexure VII.

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 especially 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 31st March 2017, Sri RM. Somasundaram is the Chairman and M/s.T. Kannan and A. Mariappan are Members of the Committee. During the year, Sri K. Thiagarajan, Non-Executive Director of the company was nominated as member of the committee. Including him, the 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 once for reviewing the Nomination and Remuneration Policy and for recommending the appointment of Chief Financial Officer. The NRC recommended the appointment of Sri V. Sundaramoorthy as Chief Financial Officer 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, 2017, 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, holds office as Auditors of the Company till the conclusion of the ensuing Annual General Meeting and they are not eligible for reappointment. There are no qualifications or observations or remarks made by the Auditors in their Report.

In terms of Section 139 of the Companies Act and rules made thereon and subject to approval by the members of the Company at the ensuing Annual General Meeting, the Board proposes to appoint M/s. CNGSN & Associates LLP, Chartered Accountants, Madurai (Firm Regn. No. 004915S/S200036) as recommended by the Audit Committee for a term of five years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 75th Annual General Meeting subject to ratification by the members of the company every year. The proposed Auditors have submitted certification u/s.141 of the Companies Act and Peer Review Certificate in respect of their appointment as Auditors of the company.

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 is 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. 11 and 13 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. There are no employees drawing remuneration more than Rs.102 Lakhs per annum or Rs.8,50,000/- per month.

Disclosure of details of Specified Bank Notes:

The company has provided necessary disclosure as to holdings and dealings in respect of Specified Bank Notes (SBN) and other notes for the period from 8th November, 2016 to 30th December, 2016 in Note No.4 to Notes on Accounts.

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 bankers and other stakeholders for their continuous support to the Company.

For and on behalf of the Board of Directors,

T. KANNAN

CHAIRMAN AND MANAGING DIRECTOR

Kappalur, Madurai.
April 30, 2017.

Management Discussion & Analysis:

Financial Performance:

The company's Sales Turnover has marginally come down from Rs.15,409 Lakhs to Rs.14,770 Lakhs. However the Profit before depreciation has gone up from Rs.1898 Lakhs to Rs.2606 Lakhs, registering 37.30% increase over the previous financial year. Also the Profit after tax has also gone up from Rs.932 Lakhs to Rs.1003 Lakhs, as set out in the Directors' Report.

Industry Structure and Developments:

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

Internal Control Systems and their Adequacy:

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

Human Resources:

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

Cautionary Statement:

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

Annexure I : Corporate Governance Report 2016-17

THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company believes in continuous good corporate governance and always strives to follow the highest standards of ethics, transparency and integrity to improve the performance at all levels, besides in achieving the company's objective of enhancing shareholder value and discharge of social responsibility.

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

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

2. ***BOARD OF DIRECTORS***

2.1. ***Composition and Category of Directors***

The Board of Directors as on 30th April 2017 consists of eight Directors of which there are One Executive Director, three Non-Executive Directors, and four Independent Directors. The details of the composition of the Board of Directors are as follows:\

Name of the Director	Category	Particulars
Sri T. Kannan	Chairman and Managing Director	Executive Director
Dr. (Smt) Uma Kannan	Director	Non-Executive 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

1.1. ***Details of the Directors***

The current composition of the Board of Directors complies with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.

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.

Dr.(Smt.) Uma Kannan Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for reappointment as a Director of the Company. She is proposed to be re-appointed as a Director of the Company. The personal information about Dr.(Smt.) Uma Kannan is given as below:

Dr.(Smt.) Uma Kannan was appointed as Woman Director of the Company on 25th March, 2015. She is Doctorate in Sociology from Madurai Kamaraj University. She is the Director of M/s.Thiagarajar Telekom Solutions Limited and Colour Yarns Limited. As such she possesses knowledge and experience in corporate affairs.

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

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.

1.1. 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.

1.2. Shareholding of Directors and Key Managerial Personnel

As on March 31, 2017 following shares of the Company were held by Directors:

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.

2.1. Board Meetings, Annual General Meeting and Attendance

During the year under review five Board Meetings were held and sitting fees have been paid to the Directors as detailed herein:-

Director Name	Date of Meeting					
	09.05.16 (Rs.)	28.07.16 (Rs.)	25.10.16 (Rs.)	27.01.17 (Rs.)	22.03.17 (Rs.)	Total (Rs.)
Uma Kannan	3000	3000	3000	3000	3000	15000
K. Thiagarajan	3000	3000	3000	3000	3000	15000
RM.Somasundaram	3000	3000	3000	3000	3000	15000
A. Mariappan	3000	3000	3000	3000	3000	15000
L.N.V.Subramanian		3000	3000	3000	3000	12000
M. Murugesan			3000	3000		6000
K.Vethachalam	3000	3000	3000	3000	3000	15000
TOTAL	15000	18000	21000	21000	18000	93000

No sitting fees paid to Sri T. Kannan as he is the Chairman and Managing Director.

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

1.1. Board Committees

In line with the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations (LODR) 2015, the Company has constituted Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

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

1.2. 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, 2017 and the Attendance of the Directors at the Board meetings and the Annual General Meeting is given below:

Names of the Directors	Category	No. of Board Meetings attended	Attend-ance at the last AGM held on 27.6.2016	No. of Other Director-ships in companies other than VTM	No. of memberships in Board Commit-tees	Whether Chairman/ Member
Thiru T. Kannan	ED	5	√	9*	5	Chairman
					4	Member
Thiru K.Thiagarajan	NED	5	√	3*	3	Member
Dr.(Smt.) Uma Kannan	NED	5		2	-	
Thiru RM. Somasundaram	NEID	5	√	4	2	Chairman
					1	Member
Thiru L.N.V. Subramanian	NEID	4		-	1	Member
Thiru A. Mariappan	NEID	5		7	1	Chairman
					3	Member
Thiru M.Murugesan	NEID	2		2	-	-
Thiru K.Vethachalam	NED	5		6	-	

ID: Independent Director VTM – VTM LIMITED

NED-Non Executive Director. NEID-Non Executive Independent Director.

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

Thiru T. Kannan, Chairman and Managing Director, Thiru K.Thiagarajan Director and Thiru.Rm. Somasundaram, Director have attended the Annual General Meeting held on 27.06.2016.

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 recommending the same to the Board, reviewing the internal audit reports and discussing the same with the internal auditors, reviewing 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, 2017, four meetings of the Audit Committee were held :

Director Name	Date of Meeting				
	09.05.16 (Rs.)	28.07.16 (Rs.)	25.10.16 (Rs.)	27.01.17 (Rs.)	Total (Rs.)
RM.Somasundaram	3000	3000	3000	3000	12000
A. Mariappan	3000	3000	3000	3000	12000
L.N.V.Subramanian		3000	3000	3000	9000
TOTAL	6000	9000	9000	9000	33000

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, 2017 is given below :

Name of the Director	Sitting Fees (For Board & Committee Meetings)
Thiru T. Kannan (Chairman)	
Thiru K.Thiagarajan	Rs.21000/-
Thiru RM. Somasundaram	Rs.36000 /-
Thiru L.N.V. Subramanian	Rs.24000/-
Thiru A. Mariappan	Rs.33000/-
Thiru M. Murugesan	Rs. 9000/-
Dr.(Smt.) Uma Kannan	Rs.15000/-
Thiru K.Vethachalam	Rs. 15000/-

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. During the year Sri. K. Thiagarajan, Non-Executive Director of the Company was appointed as Member of the Committee on 20.04.2016 and accordingly the other members are Sri.T.Kannan, Sri.RM.Somasundaram 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, 2017, one meeting of the Nomination and Remuneration Committee was held on 09.05.2016 which was attended by all members. The sitting fee has been paid to the members of the Committee as under:

The Attendance of the Directors at the Committee meetings and remuneration paid to them are as under:

Name of the Director	Sitting Fees (Committee Meeting)
Thiru RM.Somasundaram-Chairman	Rs.3,000
Thiru T.Kannan-Member	-
Thiru A.Mariappan-Member	Rs.3,000
Thiru K. Thiagarajan – Member	Rs.3,000

Remuneration Policy: During the year, the Committee reviewed the Nomination and Remuneration Policy and as recommended by the Nomination and Remuneration Committee, the policy 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, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

Remuneration to Directors:

Sri T. Kannan, the Chairman and Managing Director of the company is entitled to a remuneration not exceeding 5% of the Net Profits as computed u/s. 198 of the Companies Act, 2013 and accordingly a sum of Rs.55.00 lakhs has been provided as remuneration for the year 2016-17.

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 once during the year on 22nd March, 2017 which was attended by Sri.T.Kannan, CMD, Sri.K.Thiagarajan and RM.Somasundaram, Directors of the Company, for approval of the CSR spending and excepting Sri.T.Kannan other Directors received a sitting fee of Rs.3,000/- for the 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 are M/s. RM. Somasundaram, A. Mariappan. L.N.V. Subramanian and M. Murugesan. They met on 27th January 2017 without the attendance of Non-Independent Directors and members of management. They 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 was renamed as Stakeholders relationship committee in the financial year 2014-15.

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 as Member and Sri.L.N.V.Subramanian as Chairman of the Committee.

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

During the year eighteen grievances regarding non-receipt of shares applied for transfer, non-receipt of dividend, Balance Sheet and related matters were received from the shareholders and all were redressed. There was 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 124 of the Companies Act 2013, dividend that remained unpaid or unclaimed for financial year ended 31st March 2010, due to be transferred on 15.07.2017 to The Investor Education and Protection Fund (IEPF), constituted by Central Government under Section 125 of the Companies Act 2013 will be transferred within the time prescribed.

Distribution of Shareholding as on 31.03.2017:

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
Up to 5000	2884	89.07	2831293	7.04
5001 – 10000	160	4.94	1082320	2.69
10001 - 20000	95	2.93	1318330	3.28
20001 - 30000	44	1.36	1108504	2.75
30001 - 40000	10	0.31	366052	0.91
40001 - 50000	6	0.19	268715	0.67
50001 – 100000	21	0.65	1538131	3.82
100001 – above	18	0.55	31714255	78.84
Total	**3238**	**100.00**	**40227600**	**100.00**

Shareholding pattern as on 31st March 2017:

Shareholders	No. of Shares held	% of total shares held
Promoters	30169700	75.00
Corporate Bodies	306748	0.76
Public	9585146	23.83
NRI's	166006	0.41
Total	40227600	100.00

The Company has not issued any ESOP to its Employees / Directors.

Dematerialisation of shares:

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

ISIN : INE222F01029

Currently 92.10% 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 '16	29.80	25.15
MAY '16	35.00	25.50
JUNE '16	31.50	25.70
JULY '16	31.90	27.50
AUGUST '16	29.90	27.00
SEPTEMBER '16	31.90	27.60
OCTOBER '16	39.40	29.00
NOVEMBER '16	40.00	28.05
DECEMBER '16	33.95	29.25
JANUARY '2017	34.95	29.80
FEBRUARY '17	34.30	30.00
MARCH '17	31.90	29.00

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. Paramasivam Company Secretary, is the Secretary of this Committee and the Compliance Officer and his contact details are given below :

Mr.S. Paramasivam,

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 31.03.2016	:	0
No. of complaints/Requests received during the year *	:	18
No. of complaints/Requests resolved during the year	:	18
No. of complaints unresolved as on 31.03.2017	:	nil

* Including 10 Requests for non receipt of Annual report of the Company.

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, 2016	27th June 2016 at 10.00 am
31st March, 2015	17th June 2015 at 11.00 am
31st March, 2014	25th June 2014 at 12.00 Noon

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 held by Promoters: No pledge has been created by the Promoters on the equity shares held as on March 31, 2017.

7.2 Special resolutions:

The company has neither passed special resolution nor resolution requiring postal ballot in the Annual General Meeting held on June 27, 2016.

At the ensuing 70th Annual General Meeting to be held on 23rd June, 2017 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 70th Annual General Meeting will be made through electronic voting. The electronic voting period commences on 19th June, 2017 (9:00 am) and ends on 22nd June, 2017 (6:00 pm) both days inclusive. Book closure has been fixed as 12th June, 2017 to 23rd June, 2017 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 Business standard 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.

9.4 Address for communication :

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

Registrar & Transfer Agent:
Karvy Computershare Pvt. Ltd.
(Unit: VTM LIMITED)
Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli,
Financial District,
Nanakramguda, Serilingampally, Hyderabad – 500 008
Ph : +91 040 67161518
Contact Person: Mr.D.SURESH BABU- 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 compliancеofficer@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.	:	23rd June, 2017 at 12.00 Noon at the Registered Office at Sulakarai, Virudhunagar.
2. Dates of Book Closure/Record date for Financial Year 2016-17	:	Register of Members will be closed from 12th June to 23rd June, 2017.
3. Results for Quarter ending June 30, 2017 (Provisional)	:	3rd Week of July, 2017.
Results for Quarter ending September 30, 2017 (Provisional)	:	3rd Week of October, 2017.
Results for Quarter ending December 31, 2017 (Provisional)	:	3rd Week of January, 2018.
Financial Calendar – 1st April 2017 to 31st March 2018 (Audited)	:	4th Week of April, 2018.

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, 2017, 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.

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

April 30, 2017
Madurai,

T. Kalairaj
Partner
Membership No.023840

Annexure II

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

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017.

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

To,

The Members,
VTM LIMITED,
Virudhunagar

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

Based on my verification of VTM LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: I have examined the books, papers, minute books, forms and returns filed and other records maintained by VTM LIMITED ("the Company") for

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

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

the financial year ended on 31st March 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) Taxation Laws, Labour Laws and Environmental Laws.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Listing Agreements entered into by the Company with Bombay Stock Exchange

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

43 (9A), Palmal Cross Street
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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:
ACS 3837/FCS No.600 C P No.:

27.04.2017
Madurai-1

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 31/03/2017)

To
The Members,
VTM Limited,
Sulakarai,
Virudhunagar.

My Secretarial Audit Report for the financial year ended 31/03/2017 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.

27.04.2017
Madurai-1

Annexure – III

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2017

[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 2016)				No. of Shares held at the end of the year (as on 31st March 2017)				% 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) Partnership Firms	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 Corporate	-	-	-	-	-	-	-	-	-
- 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	308877	47300	356177	0.88	263648	47300	310948	0.77	-0.11
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4435202	2924960	7360162	18.30	5372531	2597860	7970391	19.81	1.51
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1740087	453000	2193087	5.45	1091555	453000	1544555	3.83	-1.43
c) Others (specify) NRIs	69874	12600	82474	0.20	153406	12600	166006	0.41	0.21
Firms	-	66000	66000	0.16	-	66000	66000	0.16	-

Sub-total (B)(2):-	6554040	3503860	10057900	25.00	6881140	3176760	10057900	25.00	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6554040	3503860	10057900	25.00	6881140	3176760	10057900	25.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	36723740	3503860	40227600	100.00	37050840	3176760	40227600	100.00	-

(ii)Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the endof 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 beginning		Cumulative share holding during the Year	
		No. of shares	% of Total Sh capital of company	No. of shares	% of Total Sh capital of company
1. Anil Kumar Goel					
At the beginning of year		400443	1.00		
Date wise Inc/Dec during the year		-	-		
Date					
At the end of the year				400443	1.00

2. S.N. Rajan					
At the beginning of year		277616	0.69		
Date wise Inc/Dec during the year					
Date	Buy/(Sell)				
20.05.2016	(Sell)	(43500)	0.11	234116	0.58
28.10.2016	(Sell)	(77922)	0.19	156194	0.39
25.11.2016	(Sell)	(4582)	0.01	151612	0.38
07.01.2017	Buy	25000	0.06	176612	0.44
16.02.2017	Buy	40000	0.10	216612	0.54
At the end of the year				216612	0.54

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

4. Vinay Kumar Gupta	169080	0.43	169080	0.43
At the beginning of year				
Date wise Inc/Dec during the year				
13.07.2016 (Sell)	(4080)	0.01	165000	
At the end of the year			165000	0.41

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

6.K.S.Gopalaswamy & Ranjani Gopalswamy				
At the beginning of year	150000	0.37		
Date wise Inc/Dec during the year				
At the end of the year			150000	0.37

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

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

9.Vinod Chandra Mansukhlal Parekh				
At the beginning of the year	92335	0.23		
Date wise Inc/Dec during the year				
At the end of the year			92335	0.23

10. Kamala Gemson				
At the beginning of the year	85800	0.21		
Date wise Inc/Dec during the year				
At the end of the year			85800	0.21

(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. PARAMASIVAM -CS	-	-	-	-	-	-	-	-	-
V.SUNDARAMOORTHY-CFO	-	-	-	-	-	-	-	-	-

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	42600350	-	-	42600350
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	42600350			42600350
Change in Indebtedness during the financial year		-	-	
· **Addition**	88035048			88035048
· **Reduction**	(26003505)			(26003505)
Net Change	62031543			62031543
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	104631893			104631893
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	104631893	-	-	104631893

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	55,00,000				55,00,000
5.	Others, please specify					
	Total (A)	55,00,000				55,00,000
	Ceiling as per the Act	59,60,422				59,60,422

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors				Total Amount
	RM.Somasundaram	LN.V.Subramania n	A.Mariappan	M.Murugesan	
1. Independent Directors · Fee for attending Board / Committee Meetings Commission Others, please specify	15000 21000 -	12000 12000 -	15000 18000 -	9000 - -	51000 51000
Total (1)	36000	24000	33000	9000	102000
	T.Kannan	K.Thiagarajan	Uma Kannan	K.Vethachalam	
2. Other Non-Executive Directors · Fee for attending Board / Committee Meetings · Commission · Others, please specify	--	15000 6000 -	15000 - -	15000 - -	45000 9000
Total (2)		21000	15000	15000	54000
Total (B)=(1+2)	36000	45000	48000	24000	156000
Total Managerial Remuneration					5500000
Overall Ceiling as per the Act					7152506

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

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	-	742269 -	392671 -	1134940
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission - as % of profit - others, specify	-	-	-	
5.	Others, please specify				
	Total		742269	392671	1134940

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) Installation of Energy Efficient Air Compressor:

During the year, the company replaced old Compressor with newer technology energyefficient compressor which saves cost in power consumption.

b) Installation of Energy Efficient Motors:

The company installed IE3 Energy Efficient Motors in Humidification plants and Boilers which saves cost of power.

c) Improvement in working of Humidification Plant:

By fine tuning the supply and exhaust of airflow in Humidification plant, the company achieved saving in power consumption.

d) Rehabilitation of Condensate Recovery System:

By rehabilitating the Condensate Recovery System, the feed water temperature was increased which helps in saving the cost of coal consumption.

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 Generator at a Capital Outlay of Rs.2325 Lakhs during the last ten years which saves substantial power cost.

A.POWER AND FUEL CONSUMPTION

1. Electricity

a) Purchased:

	31.3.2017	31.3.2016
Units	11,88,037	28,51,340
Total amount	Rs. 2, 26,75,975	Rs. 3,45,15,609
Rate per unit	Rs.19.09	Rs.12.11
(Including Maximum demand charges)		

b) Own Generation:		
Through Diesel Generator		
Units	2,20,077	2,79 ,014
Units per litre of oil	3.05	3.22
Cost per unit	Rs. 14.80	Rs. 14.66
c) Through Windmill:		
Produced Units	66,61,463	41,58,161
Availed Units	66,61,463	41,58,161
d) Through an Independent Power Producer		
Units	83,91,776	95,99,348
Rate per unit	Rs. 5.64	Rs. 6.52
CONSUMPTION PER UNIT OF PRODUCTION OF CLOTH:		
Electricity per Metre of production of cloth	Rs. 4.49	Rs. 5.59

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:

As stated in last year, the company modernized the unit with 36 Nos. Modern Shuttleless looms and necessary accessories and 40 Nos. of old machineries were sold. The new modern looms have improved the productivity of fabric with better quality and also save costs.

Further, in order to improve quality of packing, the company installed a number of wider width cloth inspecting machines and also installed a newer Pallet packing machine as a replacement ofconventional packing method in order to improve quality of fabric for export market.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company has earned during the year under report foreign exchange equivalent to Rs.3370.72 Lakhs (FOB value of exports) through direct exports.

The foreign exchange outgo during the period is Rs.1698.59 Lakhs.

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

Kappalur, Madurai
April 30, 2017

For and on behalf of the Board of Directors,
T. KANNAN
CHAIRMA

ANNEXURE V

FORM NO. AOC-2

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

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

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

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

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

ANNEXURE VI

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

S.No	Particulars	Details
1.	The rat io 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	55.00	51.89

S.No	Particulars
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
		2015-16	2016-17	
Sri T. Kannan	Chairman & Managing Director	60.00	55.00	(8.33%)
Mr. S. Arunagiri	Chief Financial Officer	4.51	0.00	(100%)
Mr. V. Sundaramoorthy	Chief Financial Officer	0.00	7.42	100%
Sri S. Paramasivam	Company Secretary	3.41	3.93	15.25%

VTM LIMITED

<table>
<tr><td>3.</td><td>The percentage increase in the median remuneration of employees in the financial year;</td><td><table><tr><td>Year</td><td>2015-16</td><td>2016-17</td><td>Increase</td></tr><tr><td>Median remuneration</td><td>0.94</td><td>1.06</td><td>12.76%</td></tr></table></td></tr>
<tr><td>4.</td><td>The number of permanent employees on the rolls of company;</td><td>446</td></tr>
<tr><td>5.</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>2015-16</td><td>2016-17</td><td>Increase</td></tr><tr><td>Employee cost (Excluding remuneration to Directors)</td><td>1013.70</td><td>1036.83</td><td>2.28%</td></tr><tr><td>Remuneration to Directors</td><td>60.00</td><td>55.00</td><td>(8.33%)</td></tr></table></td></tr>
<tr><td>6.</td><td>Affirmation that the remuneration is as per the remuneration policy of the company.</td><td>Yes at all times.</td></tr>
</table>

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/CSR -Policy.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. 1326.64 lakhs

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

   Rs. 26.53 lakhs

7. Details of CSR spent during the financial year

   (a) Total amount to be spent for the financial year Rs.26.53 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 2. Project No.2 _ Corpus Contribution to an Educational Institution	Direct - Public eye camp at Virudhunagar Thiagarajar College, Madurai
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 by (a) Conservation of buildings, renovation of class-rooms and construction 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. (c) Construction and preser vation 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 - Local Area Project II - Other Area
	State & district :	Project I -Tamil Nadu: Virudhunagar Dt Project II -Tamilnadu:Madurai District

	State & district :	Project I -Tamil Nadu: Virudhunagar Dt Project II -Tamilnadu:Madurai District
	Amount outlay (budget) project or program-wise:	Project I - Rs. 1.32 lakhs Project II - Rs. 25.21 lakhs
5	Amount spent on the projects or programmes:	Project I - Rs. 1.32 lakhs Project II - Rs. 25.21 lakhs
6	Sub-heads:	
	Direct expenses On projects / programs:	Project I - Rs. 1.32 lakhs Project II - Rs. 25.21 lakhs
	Overheads:	
7	Cumulative expenditure upto the reporting period:	Project I - Rs. 1.32 lakhs Project II - Rs. 25.21 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, 2017.

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 31.3.2017, 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: 30.04.2017
Place: Madurai

V. Sundaramoorthy
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VTM LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s.VTM LIMITED ("the company), which comprise the Balance sheet as at 31st March,2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and others 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.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 31st March, 2017 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", 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.

   A) on the basis of the written representations received from the directors as on 31st March,2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,2017 from being appointed as a director in terms of section 164 (2) of the Act.

B) in our opinion & 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 policies and procedures laid down by the Company in respect thereof as referred in "Annexure B".

C) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company 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.

iv) the Company has provided requisite disclosures in Note No.4 to the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

Place: Madurai
Date: April 30, 2017

T. Kalairaj
Partner
(Membership No.023840)

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

Annexure "A" referred to in Independent Auditor's 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.

3. The Company has not granted any loans secured and 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 is 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.13 and 15 to the financial statements.

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 from the public as at 31[st] March 2017.

6. The Company is maintaining cost records as required to be maintained u/s. 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 31[st] March 2017 for the period of more than six month from the date they became payable.

B) The Company has disputed Tax demands as at 31[st] March 2017 and the same has been 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 Act.
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 Act 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 debentures.
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 u/s. 45IA of the Reserve Bank of India Act, 1934 does not arise.

Place: Madurai
Date: April 30, 2017

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

T. Kalairaj
Partner
(Membership No.023840)

"Annexure B" to the Independent Auditors Report

Report on the Internal Financial Controls under Clause (i) of Sub – Section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the Shareholders of VTM Limited.

We have audited the internal financial controls over financial reporting of VTM Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls :

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

Auditors' Responsibility:

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting:

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

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion

In our opinion, to the best of our information & according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal controls over financial reporting were operating effectively as at March 31,2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Madurai
Date: April 30, 2017

T. Kalairaj
Partner
(Membership No.023840)

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 interpersonal communication skills, act with integrity and have international business exposure

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

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

Remuneration Policy

The overarching philosophy for remuneration within the company is to attract, retain and motivate individuals of the caliber 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, 2017

(Rs in Lakhs)

Particulars	Year ended 31-03-2017		Year ended 31-03-2016	
Cash flows from operating activities				
Profit before taxation		1197		1382
Adjustments for:				
Depreciation and amortization expense	729		516	
Interest received	(11)		(12)	
Dividends received	(793)		(154)	
Interest expenses	51	(24)	24	374
		1173		1756
(Increase)/ decrease in Long Term Borrowings	444		(173)	
Increase/ (decrease) in Trade payables	230		(6)	
(Increase)/ decrease in Other Current Liabilities	148		70	
(Increase)/ decrease in Short Term Provisions	(7)		24	
(Increase)/ decrease in Current Investments	(4904)		(2)	
(Increase)/ decrease in Inventories	212		(1)	
(Increase)/ decrease in Trade and other receivables	304		(620)	
(Increase)/ decrease in Other Current Assets	(71)		(76)	
Sale of Investments	2		3327	
(Increase)/ decrease in Short Term Borrowings		(3642)		2544
		(2469)		4300
Income taxes paid		168		706
Net cash from operating activities		(2637)		3594
Cash flows from investing activities				
Purchase of property, plant and equipment	(2160)		(389)	
Proceeds from sale of property, plant and equipment	125		5	
Purchase of investments	-		-	
Interest received	11		12	
Dividend received	793		154	
Net cash from investing activities		(1231)		(218)
Cash flows from financing activities				
Capital Subsidy received from TUF Scheme				
Repayment of short term borrowings			(1)	
(Increase)/ decrease in Long Term Loans & Advances	(29)		108	
Interest paid	(51)		24	
Net cash from financing activities		(80)		131
Net increase/(decrease) in cash and cash equivalents		(3948)		3165
Cash and cash equivalents at beginning of reporting period		4102		937
Cash and cash equivalents at end of reporting period		154		4102
Cash & Cash equivalents:				
Cash and cash equivalents consist of cash on hand and balances				
Cash on hand and bank balances		154		4102
Short term investments		-		-
Cash and cash equivalents as reported		154		4102
Effect on exchange rate changes		-		-
Cash and cash equivalents as restated		154		4102

The notes attached form an integral part of the Balance Sheet
In Accordance with our Report attached For and on behalf of the Board

For PERI THIAGRAJ & Co.,
Chartered Accountants
Firm Regn.No.002636S

Kappalur,
Madurai.
April,30,2017

T.KANNAN
Chairman & Managing Director

RM.SOMASUNDARAM
Director

T.KALAIRAJ
Partner
Membership No.023840

S.PARAMASIVAM
Company Secretary

V.SUNDARAMOORTHY
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, 2017. 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 April 30, 2017 to the members of the Company.

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

April 30, 2017
Madurai,

T. Kalairaj
Partner
Membership No.023840

BALANCE SHEET AS AT MARCH 31, 2017

(Rs in Lakhs)

Particulars	Note No.	As at 31-03-2017	As at 31-03-2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	402.28	402.28
(b) Reserves and Surplus	2	13,085.76	12,083.08
		13,488.04	12,485.36
(2) Non - current liabilities			
(a) Long term borrowings	3	698.24	254.00
(b) Deferred tax liabilities (Net)	4	645.26	597.10
(c) Other long term liabilities	5	100.00	100.00
(d) Long term provisions	6	0.00	19.38
		1,443.50	970.48
(3) Current Liabilities			
(a) Trade payables	7		
Total outstanding dues of Micro and Small Enterprises		-	-
Total outstanding dues of Other than Micro and Small Enterprises		441.81	211.46
(b) Other current liabilities	8	476.84	328.78
(c) Short term provisions	9	143.61	150.75
		1,062.26	690.99
TOTAL		15,993.80	14,146.83
II. ASSETS			
(1) Non - current assets			
(a) Fixed Assets			
(i) Tangible assets	10	5,737.91	4,432.00
(ii) Capital work in progress		318.42	318.42
		6,056.33	4,750.42
(b) Non - current investments	11	23.04	23.62
(c) Long term loans and advances	12	138.13	109.15
		6,217.50	4,883.19
(2) Current Assets			
(a) Current Investments	13	4,906.97	1.58
(b) Inventories	14	2,132.32	2,344.44
(c) Trade receivables	15	2,044.62	2,348.93
(d) Cash and cash equivalents	16	153.80	4,101.92
(e) Short term loans and advances	17	538.59	466.77
		9,776.30	9,263.64
TOTAL		15,993.80	14,146.83

The notes attached form an integral part of the Balance Sheet

In Accordance with our Report attached For and on behalf of the Board

For PERI THIAGRAJ & Co.,
Chartered Accountants
Firm Regn.No.002636S

Kappalur,
Madurai,
April,30,2017

T.KANNAN
Chairman & Managing Director

RM.SOMASUNDARAM
Director

T.KALAIRAJ
Partner
Membership No.023840

S.PARAMASIVAM
Company Secretary

V.SUNDARAMOORTHY
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Rs in Lakhs)

	Particulars	Note No.	Year ended 31-03-2017		Year ended 31-03-2016	
I	Revenue from Operations	18		14769.67		15408.55
II	Other Income	19		1567.26		513.94
III	Total revenue (I + II)			16336.93		15922.49
IV	Expenses					
	Cost of materials consumed	20	10928.51		11396.95	
	Changes in inventories of finished goods, work in progress	21	201.32	11129.83	(97.41)	11299.54
	Employees benefits expense	22		1036.83		1013.70
	Finance costs	23		51.16		23.90
	Depreciation and amortization expense	24		729.02		515.77
	Other expenses	25		1513.04		1687.27
	Total Expenses			14459.88		14540.18
V	Profit/(Loss) before tax (III-IV)			1877.05		1382.31
VI	Exceptional Items			(680.36)		0
VII	Profit Before Tax			1196.69		1382.31
VIII	Tax expense:					
	(1) Current tax		115.00		400.00	
	(2) Tax in respect of earlier Years		30.72		(33.93)	
	(3) Deferred tax		48.16	193.88	84.46	450.53
IX	Profit/(Loss) for the period			1002.81		931.78
X	Earning per equity share:					
	Face Value Per share			1.00		1.00
	(1) Basic			2.49		2.32
	(2) Diluted			2.49		2.32

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

In Accordance with our Report attached For and on behalf of the Board

For PERI THIAGRAJ & Co.,
Chartered Accountants
Firm Regn.No.002636S

Kappalur,
Madurai.
April,30,2017

T.KANNAN
Chairman & Managing Director

RM.SOMASUNDARAM
Director

T.KALAIRAJ
Partner
Membership No.023840

S.PARAMASIVAM
Company Secretary

V.SUNDARAMOORTHY
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS

1. Share Capital:

(Rs in Lakhs)

Particulars	Year ended 31-03-2017 Number	Value	Year ended 31-03-2016 Number	Value
Authorized:				
Equity shares of Re. 1 /- each	10,00,00,000	1,000.00	10,00,00,000	1,000.00
Issued, subscribed and paid up:				
Equity shares of Re. 1 /- each fully paid	4,02,27,600	**402.28**	4,02,27,600	402.28
a) Reconciliation of Equity shares outstanding at the beginning and at the end of the year:				
No. of shares	4,02,27,600	**402.28**	4,02,27,600	402.28
Add: Additional shares issued during the year	-	-	-	-
Less: Redeemed/Bought back during the year	-	-	-	-
	4,02,27,600	402.28	4,02,27,600	402.28

b) Rights, Preferences and restrictions attached to Equity Shares

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 amounts. The distribution will be in proportionate to the no. of equity share held by the shareholder.

4. The Company has no Holding or Subsidiary Companies.

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 had split its Rs.10/- paid up shares into Re.1/- paid up shares in October, 2012.

7. Equity shares include:

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

a. T. Kannan, Partner, Guruvayoorappan Investments	75,20,000	7520000.00	75,20,000	7520000.00
b. T. Kannan, Partner, Avittam Investments	75,00,000	7500000.00	75,00,000	7500000.00
c. T. Kannan, Partner, Karumuttu Investments	61,90,000	6190000.00	61,90,000	6190000.00
d. M/s. Thiagarajar Mills Private Limited	26,78,000	2678000.00	26,78,000	2678000.00

NOTES TO FINANCIAL STATEMENTS

2. Reserves and Surplus:

(Rs in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
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	124.48
Add: Addition during the year	-	
Balance at the end of the year	**124.48**	124.48
Revaluation Reserve:		
Balance as at the beginning of the year	50.75	50.88
Less: Utilized during the year	0.13	0.13
Balance at the end of the year	**50.62**	50.75
General Reserve		
Balance as at the beginning of the year	11,574.91	11,074.91
Less: Transitional Adjustment for Depreciation prior to 01-04-2014 (Vide Note No.3 - AS-6)		
Add: Addition during the year	-	500.00
Balance at the end of the year	**11,574.91**	11,574.91
Surplus in the statement of Profit and Loss		
Balance as at the beginning of the year	332.32	263.66
Add: Profit for the year	1,002.81	931.78
	1,335.13	1,195.44
Less: Appropriations		
Transfer to General Reserve	-	(500.00)
Interim Dividend @ Re.0.75 per Re.1/- share	-	(301.70)
Tax on Dividend	-	(61.42)
Net surplus in the statement of profit and loss	1,335.13	**332.32**
Total Reserves & Surplus	13,085.76	**12,083.08**

NOTES TO FINANCIAL STATEMENTS

Non Current Liabilities :
3. Long term Borrowings

(Rs in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
1) **Secured Loans:**		
Term Loans		
- from Banks	698.24	254.00
	698.24	**254.00**
2) **Unsecured Loans:**		
	-	-
3) **Total long term borrowings (1+2)**	698.24	**254.00**

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 under ATUF Scheme availed from Exim Bank of India by securing first charge on the specific assets procured under ATUF Scheme repayable in 5 years on half yearly Basis. The repayment of ATUF Loan Commenced from December,2016 Term loan, out of 1046.30 lakhs a sum of Rs.348.06 lakhs payable during the year is shown in Other Current Liabilities under Current Maturities of Long Term Loan

4) **Deferred tax liability:**		
On account of depreciation on fixed assets	645.26	597.10
Total	645.26	597.10
5) **Other Long term liabilities**		
a) Trade Payables	-	-
b) Lease Rent Advance	100.00	100.00
	100.00	100.00
6) **Long term Provisions**		
a) Provisions for employee benefits	-	-
b) Others-provision for taxation (Net of Taxes)		19.38
	-	19.38

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
7 Trade Payables		
Due to Micro and Small Enterprises	-	-
Other than Micro, Small and Medium Enterprises	441.81	211.46
	441.81	**211.46**

Additional Information

Dues to micro and small enterprises:

As at March,2017, there are no outstanding dues to Micro and small enterprises(Previous year Nil) There are no interests due or outstanding on the same.

Particulars	As at 31-03-2017	As at 31-03-2016
8 Other current liabilities:		
a) Unpaid dividends	71.75	94.66
b) Remuneration Payable to Chairman & MD	55.00	60.00
c) Security Deposit	2.03	2.12
d) Current Maturities of Long Term Loan	348.06	172.00
	476.84	**328.78**

8(c) 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) Term loan under ATUF Scheme availed from Exim Bank by securing first charge on the specific assets procured under ATUF Scheme

c) No loans have been guaranteed by Directors or others

Particulars	As at 31-03-2017	As at 31-03-2016
9 Short term provisions:		
a) Provision for employee benefits	143.11	150.25
b) Others - Audit Fees & Rent payable	0.50	0.50
	143.61	**150.75**

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

10. Fixed Assets:

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01-04-2016	Additions for the year	Deductions during the year	As at 31-03-2017	As at 01-04-2016	Withdrawn	For the year	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Tangible Assets										
Own assets										
Land	90.39	0.00	0.00	90.39	0.00	0.00		0.00	90.39	90.39
Buildings	1524.94	192.98	0.00	1717.92	524.06	0.00	53.93	577.99	1139.93	1002.85
Plant & Machinery	14611.51	1871.24	1303.34	15179.41	11479.23	1204.99	654.31	10928.55	4250.86	3130.31
Furniture & Fixtures	95.23	1.61	0.00	96.84	76.58	0.00	2.50	79.08	17.76	18.90
Vehicles	135.29	93.04	76.99	151.34	87.98	50.32	16.12	53.78	97.56	41.05
Office equipment	25.76	1.21		26.97	11.41		2.29	13.70	13.27	20.36
Assets taken on finance lease										
Land	128.14			128.14	0.00			0.00	128.14	128.14
TOTAL	16611.26	2160.08	1380.33	17391.01	12179.26	1255.31	729.15	11653.10	5737.91	4432.00
Capital Work-in-Progress	318.42			318.42					318.42	318.42
Total for the year	16929.68	2160.08	1380.33	17709.43	12179.26	1255.31	729.15	11653.10	6056.33	4750.42
Less: Transferred to Revaluation Reserve							0.13			
							729.02			

NOTES TO FINANCIAL STATEMENTS

11. Non Current Investments (At Cost):

(Rs in Lakhs)

Details of Investments	Name of the Company	No of Shares	As at 31-03-2017	As at 31-03-2016
a) Investments in Equity Instruments:				
i) Associates-Trade				
Fully paid up (Unquoted)	Thiagarajar Mills Private Limited	70140	4.22	4.22
	Color Yarns Limited	106000	10.60	10.60
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	1.98
	OPG Power Generation Pvt Ltd.,	22700	2.50	3.08
	Total		23.04	23.62

Additional Information:		
1) Aggregate value of quoted investments:		
Cost	3.74	3.74
Fair Value	1.55	0.57
2) Aggregate value of unquoted investments:		
Cost	19.30	19.88
Fair Value (Book Value)	1794.79	-

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
12 Long term loans and advances:		
Unsecured considered good		
i) Security Deposits	102.41	70.92
ii) Loans & advances other than related parties	8.47	38.23
iii) Others-provision for taxation (Net of Taxes)	27.25	
	138.13	**109.15**
Additional Information		
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

13. Current Investments (At Cost) :

(Rs in Lakhs)

Details of Investments		No of Units	As at 31-03-2017	No of Units	As at 31-03-2016
Investment in Mutual Fund (Fully Paid)					
Quoted :					
Franklin India Low Duration Fund		3387074.922	625.00		-
Franklin India Ultra Short Bond Fund		19206883.23	4275.00		-
Unquoted :					
Saheli Exports Private Ltd	(Face Value Rs.10)	15800	-	15800	1.58
GOYAL MG Gases (P) Ltd.,		69700	6.97		
			4,906.97		**1.58**
Additional Information:					
Aggregate value of quoted investments:					
Cost			4,900.00		1.58
Fair Value			4,901.67		-
Aggregate value of unquoted investments:					
Cost			6.97		
Fair Value (Book Value)			308.79		

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
14 Inventories:		
i) Raw materials - Yarn	774.24	875.00
ii) Work in progress - Yarn	408.70	331.61
Work in progress - Cloth	85.16	71.71
iii) Finished goods - Cloth	725.53	937.03
- Waste	0.73	4.00
iv) Stores and spares	137.95	125.08
v) Loose tools	0.01	0.01
	2,132.32	**2,344.44**
15 Trade receivables:		
i) Trade receivables exceeding six months	43.41	40.05
ii) others	2,001.21	2,308.88
	2,044.62	**2,348.93**
Additional information:		
1) Breakup of above:	-	-
i) Secured, considered good		
ii) Unsecured, considered good	2,044.62	**2,348.93**
iii) Doubtful	-	-
Total	2,044.62	**2,348.93**
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
16 Cash and cash equivalents:		
i) Balances with banks		
- in Current Accounts	76.93	4,005.61
- in unpaid dividend accounts	73.42	94.73
- in deposit accounts exceeding 12 months maturity (Earmarked in favour of ACCT)	1.61	-
ii) Cash on hand	1.84	1.58
	153.80	**4,101.92**
17 Short term loans and advances:		
Loans and advances - Other than related parties	538.59	466.77
	538.59	**466.77**

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	Year ended 31-03-2017	Year ended 31-03-2016
18. Revenue from operations:		
i) Sale of products		
Cloth	14594.85	15204.34
Yarn and Cloth Waste	30.75	25.10
Total	14625.60	15229.44
ii) Sale of services		59.65
iii) Other operating revenues	144.07	119.46
	14769.67	**15408.55**
19. Other Income:		
i) Interest income	11.45	12.40
ii) Dividend Income		
From Long Term Investments	793.41	153.55
From Current Investments	549.73	2.90
iii) Profit on sale of fixed assets (Net)	184.43	308.91
iv) Profit on sale of Investments	28.24	36.18
v) Other non operating income		
	1567.26	**513.94**
20. Cost of materials consumed:		
i) Consumption of raw materials	10024.68	10441.21
ii) Consumption of stores and spare parts	847.44	891.56
iii) Bleaching and Processing Charges - Cloth	56.39	64.18
	10928.51	**11396.95**
21. 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	85.16	71.71
Total	85.16	71.71
ii) Finished goods		
Cloth	725.52	937.03
Waste	0.74	4.00
Total	726.26	941.03
	811.42	1012.74
Stocks at the beginning 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	836.97
Waste	4.00	1.01
Total	941.03	837.98
	1012.74	915.33
Changes in inventories of finished goods, work in progress and stock in trade:	201.32	(97.41)

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	Year ended 31-03-2017	Year ended 31-03-2016
22. Employee Benefits Expense:		
i) Salaries and wages	779.48	778.05
ii) Contribution to Gratuity Fund	16.21	7.14
iii) Contribution to provident and other funds	61.80	59.50
iv) Staff welfare expenses	179.34	169.01
	1036.83	**1013.70**
23. Finance Costs:		
i) Interest on Term Loan	51.16	23.90
	51.16	**23.90**
24. Depreciation and amortization:		
i) Depreciation	729.02	515.77
ii) Amortization of intangible assets	-	-
	729.02	**515.77**
25. Other expenses:		
i) Power and fuel	732.73	1011.83
ii) Rent	11.23	12.82
iii) Repairs to buildings	73.68	73.30
iv) Repairs to machinery	159.26	123.93
v) Insurance	14.08	11.37
vi) Rates and taxes	19.67	15.04
vii) Payment to the auditors		
- as auditor	0.25	0.25
- for Certification & Other Services	0.05	0.03
- for reimbursement of expenses	0.10	0.10
viii) Selling expenses	124.96	115.80
ix) Brokerage expenses	165.58	113.90
x) Loss on sale of fixed assets	0.85	-
xi) Loss on sale of Investments		2.23
xii) Donations	25.00	25.00
xiii) CSR Expenditure	26.53	28.25
xiv) Legal and professional charges	11.13	11.97
xv) Directors sitting fees & Travelling Expenses	1.61	1.91
xvi) Commission to Chairman & Managing Director	55.00	60.00
xvii) Miscellaneous Expenses	91.33	79.54
	1513.04	**1687.27**

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	Year ended 31-03-2017		Year ended 31-03-2016	
26. Additional Information:				
a) Value of Imports calculated on CIF basis:				
i) Raw Materials	0.00		0.00	
ii) Components and spare parts	195.02		247.24	
iii) Packing Materials	0.00		0.00	
iv) Capital goods	1463.11		88.23	
b) Expenditure in foreign currency: (net of withholding tax)				
Other matters - Commission	40.46		22.18	
- Travelling Expenses	-		7.74	
c) Sl No Particulars	Amount	% to total	Amount	
i) Value of raw materials consumed				
a) Imported	-		0.00	
b) Indigenous	10024.68	100.00%	10441.21	100.00%
ii) Value of Stores and Spares consumed				
a) Imported	245.55	28.98%	256.66	28.79%
b) Indigenous	601.90	71.02%	634.90	71.21%
	10872.13		11332.77	
d) Details of non-resident shareholdings				
i) Number of non-resident share holders	69		52	
ii) Number of shares held by non-resident shareholders	1779406		956424	
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)				
Final Dividend 2014-15			571362	
Inerim Dividend 2015-16			717318	
e) Earnings in foreign exchange:				
i) Export of goods calculated on FOB basis	3370.72		2493.99	
27. Earnings per share:				
Profit for the year after tax	1,002.81		931.78	
Number of equity shares	4,02,27,600		4,02,27,600	
Face Value per share (Rupee)	1.00		1.00	
Earning per share - Rs.	2.49		2.32	

NOTES TO FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016
28. 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	120.05	531.34

The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.

b) Commitments		
Estimated amount of contracts remaining to be executed on Capital account (net of advances) and not provided for.	0	0

29. NOTES ON ACCOUNTS

1. Statement of Significant Accounting Policies:-

Basis of preparation of Financial Statements:

Presentation of Financial Statements.

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.

Valuation of Inventories

a. Raw materials, components, and stores 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.

Statement of Cash flow

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

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.

Dividends

The Company declares and pays dividends in Indian rupees.

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the company.

The Board of Directors, in its meeting on April 30, 2017, have proposed a dividend of Re. 0.75 per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 23rd June, 2017 and if approved would result in a cash outflow of approximately Rs.364 lacs including dividend tax.

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/Loss on sale of investments has been accounted on the basis of realisation.

Property, Plant & Equipments:

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Depreciation has been provided over their estimated useful lives in accordance with the provisions of Schedule II of the Companies Act, 2013 under the straight line method.

Accounting for effects in foreign exchange rates and Foreign Exchange Transactions

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 31.03.2017, 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, 2017 there is no Foreign Exchange Contracts outstanding exposure.

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

Accounting for Government Grants:

The company is availing Duty Drawback subsidy and the same is treated as revenue receipts.

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.

Accounting for Employees 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:

		31.03.2017 (Rs. in Lakhs)	31.03.2016 (Rs. in Lakhs)
(i)	Changes in present value of obligations		
	Present value of obligations as at the beginning of the year	107.97	103.03
	Interest Cost	8.30	7.97
	Current Service Cost	7.41	6.85
	Benefits Paid	(5.71)	(1.79)
	Actuarial (gain)/loss on obligation	0.50	(8.08)
	Present value of obligations as at the end of the year	118.47	107.97
(ii)	Changes in Fair Value of plan assets		
	Fair value of plan assets as at the beginning of the year	6.64	8.43
	Expected return on plan Assets	0.38	0.60
	Contributions	2.00	0.00
	Benefits Paid	(5.71)	(1.79)
	Actuarial Loss/(Gain) on Plan Assets	(0.38)	(0.60)
	Fair value of plan assets as at the end of the year	2.93	6.64
(iii)	Amounts to be recognized in the Balance Sheet		
	Present value of obligations as at the end of the year	118.47	107.97
	Fair Value of Plan Assets as at the end of the year	2.93	6.64
	Funded Status	(115.54)	(101.33)
	Net Asset / (Liability) recognized in the Balance Sheet	(115.54)	(101.33)
(iv)	Expense recognized in the Statement of Profit and Loss		
	Current Service Cost	7.41	6.85
	Interest Cost	8.30	7.97
	Expected return on Plan Assets	(0.38)	(0.60)
	Net Actuarial (gain)/loss on Plan Assets for the Period	0.88	(7.47)
	Expense recognized in the statement of Profit and Loss	16.21	6.74
(v)	Percentage of major category of plan assets to total plan assets as at the end of the year		
	Bank Balance	0.00	0.0
	Others	100.00%	100.00%
(vi)	Assumptions:		
	Discount Rate	7.50%	7.90%
	Rate of Increase in compensation	4.00%	4.00%
	Rate of return (expected) on plan assets	1.00%	8.00%
	Attrition Rate	8.00%	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.

Borrowing Costs

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

Segment reporting

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

Related Party Disclosures

Related Party disclosures as required by Accounting Standard are given below:

(I) Where Control Exists:

Subsidiary Company : NIL

Associate Company : NIL

(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 V. Sundaramoorthy – Chief Financial Officer

(iii) Sri S. Paramasivam – Company Secretary

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

1. Thiagarajar Mills (P) Ltd.
2. Tamaraiselvi Finance Pvt. Ltd.
3. Sri T. Kannan (HUF)
4. Kalaithanthai Karumuttu Thiagaraja Chettiar Memorial Charitable Trust
5. Thiagarajar College of Engineering
6. Thiagarajar College
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	NIL

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

	(Rs. in Lakhs)
a. Remuneration	55.00
b. Sitting Fees	0.51
c. Remuneration to CFO	7.42
Remuneration to CS	3.93

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

	(Rs. in Lakhs)
a. Purchase of Materials	2422.65
b. Sale of materials	132.33
c. Availing of services	36.20
d. Lending of services	1.15
e. Contributions	47.71

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

Earnings per share

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

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.

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.

Intangible Assets

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

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.

2. Taxes:

The Company has disputed Tax and other liabilities as on March 31, 2017 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	58,69,073/- (Net of tax paid)	2009-10	CIT Appeals, Madurai
3.	Income Tax Act	Tax Demand	2,70,649/- (Net of tax paid)	2014-15	CIT Appeals, Madurai
4.	Provident Fund Act	Demand on inspection	31,18,656/-	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. The Deferred Tax liabilities in pursuance of Accounting Standard 22 issued by the Institute of Chartered Accountants of India is as stated below:-

(Rs. in Lakhs)

	As on 31.3.2016	During the year	As at 31.3.2017
Deferred Tax Liabilities: Difference between book and Tax depreciation	597.10	48.16	645.26

4. Details of Specified Bank Notes (SBN) and other notes held and dealt during the period from November 8, 2016 to December, 30 2016, as per the MCA notification G.S.R. 308(E) dated March 31, 2017, are given below:

Particulars	SBNs*(Rs.)	Other denomination notes (Rs.)	Total (Rs.)
Closing cash in hand as on November 8, 2016	10,53,000	2,71,766	13,24,766
(+) Permitted receipts	-	31,03,025	31,03,025
(-) Permitted payments	-	(19,42,736)	(19,42,736)
(-)Amount deposited in Banks	(10,53,000)	-	(10,53,000)
Closing cash in hand as on December 30, 2016	-	14,32,055	14,32,055

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

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

(Figures in Lakhs)

		31.03.2017	Value	31.03.2016	Value
(i) Sales:					
Cloth	Mtrs.	165.68	14594.85	178.45	15204.34
Yarn Waste	Kgs.	1.14	30.75	1.11	25.10
(ii) Raw Materials consumed:					
Yarn	Kgs.	34.28	10024.68	37.17	10441.21
(iii) Opening 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
(iv) Closing stock of finished goods					
Cloth	Mtrs.	9.74	725.52	11.95	937.03
Yarn Waste	Kgs.	0.02	0.73	0.15	4.00
(v) Purchases					
Cloth	Mtrs.	0.17	15.87	0.28	16.79
(vi) Licensed and Installed capacities:					
(Number of Looms)					
Licenced Capacity		(Not Applicable)		(Not Applicable)	
Installed Capacity		266 Nos		270 Nos.	
(vii) Actual Production:					
Cloth (on own account)	Mtrs.	163.30		180.93	
Cloth (on others)	Mtrs.	-		3.08	
Production by outside establishment from cotton Yarn supplied by the co.					
Cloth	Mtrs.			-	
(viii) CIF Value of Imports:					
Spare parts			195.02		247.24
Capital Goods			1463.11		88.23
Raw Materials			-		-
Packing Materials			-		-
(ix) Expenditure in foreign currency:					
Commission (accrual basis)			40.46		26.88
Travelling Expenses			-		7.74
Other matters			-		-
(x) Value of rawmaterial Consumed:					
Imported					-
Indigenous		10024.68 (100%)		10441.21 (100%)	
(xi) Value of stores and spares consumed:					
Imported		245.55 (28.98%)		256.66 (28.79%)	
Indigenous		601.90 (71.02%)		634.90 (71.21%)	
(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)			3370.72		2493.99
Merchant Exports			-		-

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

Signatures to Schedules and Notes

To be read with our Report annexed
For PERI THIAGRAJ & Co.,
Chartered Accountants
Firm Registration No.002636S

Kappalur, Madurai, April 30, 2017.	T.KANNAN Chairman & Managing Director	RM.SOMASUNDARAM Director	V.SUNDARAMOORTHY Chief Financial Officer	S.PARAMASIVAM Company Secretary	**T. KALAIRAJ** Partner Membership No.023840