

BOARD OF DIRECTORS

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

CHAIRMAN

Thiru T. Kannan

COMPANY SECRETARY

Thiru S. Paramashivan

AUDITORS

M/s. Peri Thiagraj & Co
Madurai.

BANKERS

State Bank of India
IDBI Bank Ltd.
Standard Chartered Bank

REGISTERED OFFICE

Sulakarai
Virudhunagar.

CIN : L17111TN1946PLC003270

NOTICE OF ANNUAL GENERAL MEETING

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

AGENDA

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

AS SPECIAL BUSINESS :

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

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

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

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

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

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

IMPORTANT NOTES:

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

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

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

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

The instructions for e-voting are as under:

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

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

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

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

Item No. 5

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

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

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

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

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

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

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

Item No. 6

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

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

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

Item No. 7

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

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

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

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

Kappalur, Madurai.
April 30, 2015.

By order of the Board

T. KANNAN

Chairman

DIRECTORS' REPORT

To the Members of VTM Limited

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

OPERATING & FINANCIAL PERFORMANCE**PROFITS, DIVIDENDS & RETENTION**

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

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

Appropriation to General Reserve:

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

Dividend:

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

Extract of Annual Return:

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

Associate Company:

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

Change in the Nature of Business:

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

Orders by Regulators or Courts:

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

Material Changes Affecting the Financials:

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