

GTN TEXTILES LIMITED

REPORT ON CORPORATE GOVERNANCE

1. Company's practice on Corporate Governance

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the organization. Your company is committed to the adoption of and adherence to the best corporate governance practices at all times. The Corporate Governance guidelines are in compliance with the requirements of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations, and in all its interactions with its stakeholders, including, employees, the government and lenders.

2. Board of Directors

The Board is headed by an Executive Chairman, Shri . B K Patodia and comprises eminent persons with considerable professional experience in diverse fields. About 83% of the Board consists of Non- Executive Directors.

The Composition of the Board and category of directors as on 31.3.2016 are as follows:

Category	Name of Directors
Promoter / Executive Director	B.K Patodia
Non-Executive /Non independent Director	Mahesh C Thakker
Independent Directors	Shri. B.L Singhal
	Shri. Prem Malik
	Shri. S. Sundareshan
	Smt. Pamela Anna Mathew (Additional Director up to 06.08.2015) (Independent Director w.e.f 07.08.2015)

Attendance of Directors at Board Meetings, last Annual General Meeting and Number of Other Directorships and Chairmanships / Memberships of Committees of each Director in various Companies:

Name of the Director	DIN No	No. of shares held	Attendance particulars		No. of other Directorships and Committee memberships / Chairmanships			Relationship interse Directors
			Board meetings	Last AGM	Other Directorships including Pvt. Ltd.Cos.	Other Committee Memberships	Other Committee Chairmanships	
Shri. B K Patodia	00003516	11,95,580	4	Yes	8	2	None	None
Shri. B L Singhal	00006433	9,680	4	Yes	7	5	3	
Shri. Prem Malik	00023051	Nil	4	No	10	5	1	
Shri. S.Sundareshan	01675195	Nil	4	No	6	7	None	
Shri Mahesh C Thakker	01386254	9,475	2	No	1	None	None	
Mrs. Pamela Anna Mathew	00742735	Nil	3	No	6	None	None	

Notes:

- i) In accordance with Regulation 26(b) of SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015, Membership/Chairmanship of only the Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies has been considered.
- ii) None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which he is a Director as per Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

- **Number of Board meetings held and the dates on which held;**

Four Board meetings were held during the year. The maximum time gap between any two consecutive meetings did not exceed 120 days.

REPORT ON CORPORATE GOVERNANCE (Contd...)

The details of the Board Meetings are as under:-

S. No.	Date	Board Strength	No. of Directors present
1)	27 th May 2015	6	6
2)	6 th August 2015	6	5
3)	7 th November 2015	6	4
4)	9 th February 2016	6	6

- **Code of Conduct**

The Company has laid down a Code of Conduct for all Board Members as well as Senior Management Personnel of the Company. The Code of Conduct is available on website of the company www.gtn textiles.com

The Managing Director has confirmed and declared that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The declaration to that effect forms part of this report.

- **Independent Directors**

The company has complied with the conditions of Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The company has also obtained declaration of independence from each Independent Directors pursuant to Section 149 (7) of the Companies Act, 2013.

- **Separate meeting of Independent Directors**

A separate meeting of Independent Directors was held on 09.02.2016 without the attendance of Non- Independent Directors and members of the management.

- **Induction & Training of Board Members (Familiarization programme for Independent Directors)**

Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal introduction from the Chairman cum Managing Director about the Company's manufacturing, marketing, finance and other important aspects.

- **Evaluation of the Board's Performance**

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

3. **Audit Committee**

Audit Committee comprises of Three Independent Directors viz. Shri. B.L.Singhal Chairman, Shri. Prem Malik and Shri.S.Sundareshan and one Non-Independent Director Shri. B.K. Patodia. All the Members of the Audit Committee possess financial/accounting expertise. The Composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI(LODR) Regulations, 2015.

Shri. E K Balakrishnan, Vice President (Corporate Affairs) and Company Secretary is the Secretary of the Audit Committee.

The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations.

Terms of reference of Audit Committee

The role of the audit committee shall include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;

REPORT ON CORPORATE GOVERNANCE (Contd...)

- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

During the financial year, the Committee met four times. Attendance of each Member at the Audit Committee meetings held during the year:

Sl. No.	Name of the Member	Status	No. of meetings attended
1)	Shri. B L Singhal	Chairman & Independent Director	4
2)	Shri. Prem Malik	Independent Director	4
3)	Shri. S.Sundareshan	Independent Director	4
4)	Shri. B.K Patodia	Managing Director	4

The details of the meetings are as under:-

Sl. No.	Date	Committee Strength	No. of Directors present
1)	27 th May 2015	4	4
2)	6 th August 2015	4	4
3)	7 th November 2015	4	4
4)	9 th February 2016	4	4

The Chief Financial Officer, Internal Auditors, Statutory Auditors and other Executives, as considered as appropriate, were also attending the Audit Committee meetings.

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- **Internal Audit and Control:**

M/s Varma & Varma, Chartered Accountants, Kochi, Internal Auditors carried out Internal Audit of the Company. Internal Audit Plan and their remuneration are being approved by the Audit Committee. The reports and findings of the Internal Auditors and the Internal Control Systems are periodically reviewed by the Audit Committee.

- **Prevention of Insider Trading:**

The Audit Committee also monitors implementation and compliance of the Company's Code of Conduct for prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended update. Shri. E K Balakrishnan, Vice President (Corporate Affairs) and Company Secretary is the Compliance Officer of the Company.

- **Vigil Mechanism**

The Company has established a Vigil Mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy duly adopted by the Board. The same is available on the web site of the Company www.gtn textiles.com. No personnel has been denied access to the Audit Committee to lodge their compliance.

4. **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board of Directors comprises of three Independent Directors namely; Shri. B L Singhal as Chairman, Shri. Prem Malik and Shri. S. Sundareshan as Committee members.

The broad terms of reference of the Committee include;

- To identify persons who are qualified to become directors and who may be appointed in senior management, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance
- Formulation of the criteria for determining the qualifications, positive attributes and independence of the director and recommend to the Board a policy, relating to remuneration of the Directors, Key Managerial Personnel and other employees
- Formulation of criteria for evaluation of independence directors and the Board.
- Devising a policy on Board diversity

The remuneration policy is in consonance with the existing industry practice and also with the provisions of Companies Act.

The Committee met on 30.5.2016 and evaluated performance of the entire Board as per Regulation 19 of the SEBI (LODR) Regulations 2015.

- **Remuneration to the Managing Director**

The aggregate of salary and perquisites paid for the year ended 31st March, 2016 to the Managing Director is as follows:-

Shri. B K Patodia : Rs. 40.66 lacs

Besides this, the Managing Director was also entitled to Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent not taxable and Gratuity as per the Rules of the Company.

- **Remuneration to Non-Executive Directors:**

No Remuneration is paid to Non-Executive Directors except sitting fee for attending the meeting of the Board and Committees thereof.

The details of payment of sitting fee are as follows;

Meeting	Amount (in Rs)
Board	7500
Committee	5000

The Fee paid for the year ended 31st March, 2016 to the Non Executive Directors is as follows:

Name of the Non-Executive Director	Sitting fee (Rs.)
Shri. B L Singhal	75000
Shri. Prem Malik	75000
Shri. S.Sundareshan	75000
Shri Mahesh C Thakker	15000
Smt. Pamela Anna Mathew	22500
Total	262500

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

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- **Remuneration Policy**

The remuneration policy of your company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The company endeavors to attract, retain develop and motivate a high performance work force. The company follows a mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises Shri. Prem Malik as Chairman, Shri. B.L Singhal, Shri. S. Sundarshan and Shri. B.K Patodia as members of the Committee.

The Committee is set up to monitor the process of share transfer, issue of fresh share certificates as well as review of redressal of investors / shareholders grievances. The Committee would also recommend measures for overall improvement of the quality of investor services.

During the year, four meetings of the Stakeholders Relationship Committee were held as under:-

Sl. No.	Date	Committee Strength	No. of Directors present
1)	27 th May 2015	4	4
2)	06 th August 2015	4	4
3)	7 th November 2015	4	4
4)	9 th February 2016	4	4

Shri. E K Balakrishnan, Vice President (Corporate Affairs) and Company Secretary is the Secretary to the Committee.

- **Complaints received and redressed during the year:**

The total number of Complaints received and resolved to the satisfaction of investors during the year ended 31.3.2016 is as under:-

Type of Complaints	No of Complaints
Non-receipt of Annual Reports	1
Non-receipt of Dividend Warrants	0
Non-receipt of Share Certificates	1
Complaints in respect of Electronic Transfers	0
Complaints /queries received from Regulatory Agencies	0
Others	5
Total:	7

There were no outstanding complaints as on 31st March, 2016.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 a certificate on a half yearly basis confirming due compliances of share transfer formalities by the company from Practicing Company Secretary has been submitted to the Stock Exchanges within the stipulated time.

6. Corporate Social Responsibility (CSR)

- The provisions with regard to Section 135 of the Companies Act, 2013 do not apply to your company.

7. Disclosures:

- **Basis of Related Party Transactions**

- (i) the statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- (ii) There are no related party transactions that may have potential conflict with the interest of the company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on arms' length basis

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- (iv) The company has obtained Shareholders approval by way of special resolution to enter into related party transactions
- (v) There is no non compliance by the company and no penalties, strictures imposed on the company by stock exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years

- **Disclosure of Accounting Treatment**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historic post convention. The Accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

- **Board Disclosures - Risk Management:**

The Company has laid down procedures to inform the Board of Directors about the risk assessment and minimization procedures. The Audit Committee and the Board of Directors review these procedures, periodically.

- **Proceeds from public issues, right issues, preferential issues etc.**

The Company did not have any of the above issues during the year under review.

- **Secretarial Audit Report**

The Company has obtained Secretarial Audit Report on annual basis from the Company Secretary in Practice for compliance with Section 204 (1) of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015 Annual Secretarial Audit Report is annexed elsewhere.

- **Management Discussion And Analysis Report**

The Management Discussion and Analysis Report have been included separately in the Annual Report to the shareholders.

- **Shareholders**

- (i) The quarterly results approved by the Audit Committee / Board of Directors are put on the Company's website www.gtntextiles.com under "investor info" section
- (ii) The Company has also send Annual Report through email to those shareholders who have registered their email ids with Depository Participants

- **Reconciliation of Share Capital Audit**

A qualified Practicing Company Secretary has carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL.

- **Means of communication**

- (i) **Half-yearly report sent to each household of shareholders**

Although, Half-yearly report is not sent to each household of shareholders, the Company normally publishes the same in all India editions of BUSINESS STANDARD [National Daily] and MANGALAM [Regional News Paper].

- (ii) **Quarterly results**

The quarterly results are normally published in all India editions of BUSINESS STANDARD [National Daily] and MANGALAM [Regional Newspaper].

Your Company is also uploading regularly quarterly Corporate Governance Report, Shareholding Pattern and other related documents through web based platforms of NSE and BSE. The same can be accessed at i) <https://www.connect2nse.com/LISTING>. and ii) <https://www.listing.bseindia.com>

The same were also displayed in the Website of the Company, www.gtntextiles.com

The Company did not make any presentation to the analysts / institutional investors.

8. MD and CFO Certification

The Managing Director and CFO of the Company give quarterly / annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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9. Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchanges at BSE & NSE in the requisite format duly signed by the compliance officer. Pursuant to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

10. General Body Meetings:

A. Location, date and time of the Annual General Meetings held during the preceding 3 years and special resolution passed:

Year	Location	Date	Day	Time	Whether any Special Resolution passed in previous AGM
2012-13	'Oceanic Hall' Hotel Periyar, Aluva – 683 101	30.07.2013	Monday	12.15 p.m	No
2013-14	-do-	19-09-2014	Friday	12:15 p.m	1. Appointment of Shri B.L Singhal as Independent Directors for a period of 5 years (Section 149) 2. Appointment of Shri Prem Malik as Independent Directors for a period of 5 years (Section 149) 3. Approval of Related party transactions (Sec 188) 4. Approval for increasing borrowing powers pursuant to Section 180(1)(c) of the Companies Act, 2013
2014-15	-do-	07.08.2015	Friday	12:15 p.m	Re-appointment of Shri. B.K Patodia for a further period of 5 years and fixation of remuneration for a period of 3 years (Section 196,197,198, 203)

C. Extra–Ordinary General Meeting of the shareholders was held during the year - No

D. Whether special resolutions were put through postal ballot, last year? - No

E. Are votes proposed to be conducted through postal ballot, this year? - No

11. Compliance in respect of Adoption of non mandatory requirements

a) The Board

The Company meets expenses to maintain Chairman's office in the performance of his duties.

b) Shareholder Rights

The Company's quarterly and half yearly results are published in the Newspaper and also uploaded on its website www.gtn textiles.com. Therefore, no individual communication is sent to shareholders on the quarterly and half yearly financial results. However, if requested, the Company provides the same to them individually.

c) Audit Qualifications

There are no qualifications in the Auditors Report on the accounts for the year 2015-16.

d) Reporting of internal Auditor

The Internal Auditor directly report to the Audit Committee

12. General Shareholder information:

l) Annual General Meeting:

a)	Date and Time	:	Friday, 23 rd September, 2016, 12:15 p.m
b)	Venue	:	'Oceanic Hall', Hotel Periyar, Aluva - 683 101.
c)	Book closure date	:	Saturday, 17 th September 2016 to Friday, 23 rd September, 2016 (both days inclusive)

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d)	Financial calendar (tentative):		
	Annual General Meeting	:	23 rd September, 2016
	Results for quarter ended 30 th June, 2016	:	1 st August, 2016
	Results for quarter ending 30 th Sept.,2016	:	On or before 14 th November, 2016
	Results for quarter ending 31 st Dec., 2016	:	On or before 14 th February, 2017
	Results for Year ending 31 st March, 2017	:	On or before 30 th May, 2017.

II) Listing

a)	Listing of Equity Shares on Stock Exchanges at	:	BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE)
b)	Listing Fee	:	Annual Listing fee for the year 2016-17 have been duly paid to the said Stock Exchanges.
i)	Stock Code: Scrip Code No. : Bombay Stock Exchange	:	532744
	Trading symbol : National Stock Exchange	:	GTNTEX
ii)	Demat ISIN Nos. in NSDL and CDSL for Equity Shares	:	INE302H01017

III Stock market data :

(in ₹ per Share)

Month	BSE		NSE	
	High	Low	High	Low
April 2015	10.25	8.61	10.60	9.00
May	11.67	8.91	11.10	9.00
June	11.10	9.08	10.70	9.00
July	11.60	9.44	11.65	9.70
August	13.15	8.20	13.40	8.70
September	10.00	8.50	9.80	8.45
October	10.56	8.41	10.70	8.65
November	9.40	8.12	10.00	7.90
December	11.50	8.45	12.70	8.00
January 2016	17.21	12.00	17.40	12.10
February	14.06	9.23	13.40	9.20
March	11.88	8.90	10.50	8.70

IV	Registrar and Transfer Agents (Share Transfer and communication regarding Share Certificates, Dividends and change of Address)	:	M/s. Integrated Enterprises(India) Limited, 2 nd Floor, Kences Towers, No 1, Ramakrishna Street, T Nagar, Chennai -600 017 Tel: 044 28140801-803 E-Mail : corpserv@integratedindia.in
V)	Share Transfer System	:	Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's Securities to the Share Transfer Committee of the Board of Directors, constituted for this purpose. A summary of transfer / transmission of the Securities of the Company so approved by the Share Transfer Committee is placed at every Board Meeting. The Company obtains a Certificate on each half year from a Company Secretary in Practice in respect of Compliance with the Share Transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the Certificate with the Stock Exchanges within the prescribed time limit. As regards shares held in Electronic form, the credit being given as per guidelines / by-laws issued by SEBI / NSDL / CDSL.

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VI) Shareholding pattern and distribution on Shareholding of the Company:-

(a) Shareholding pattern as on 31st March, 2016:

SL. No.	Category	No of shares (Issued Equity)	%age
01)	Promoters & Associates	7250438	62.29
02)	Indian Financial Institutions, Banks, Mutual Funds	90005	0.77
03)	Foreign Institutional Investors / NRIs	8237	0.07
04)	Others	4291798	36.87
	Total :	11640478	100.00

(b) Distribution of Shareholding as on 31.03.2016

No. of shares held	No. of share-holders	% of share-holder	No. of shares (Issued Equity)	% of shareholding
Upto 100	20815	87.26	641987	5.51
101-500	2003	8.40	560193	4.81
501-1000	509	2.13	431379	3.71
1001-10000	463	1.94	1363873	11.72
10001-100000	50	0.21	1126754	9.68
Above 100000	15	0.06	7516292	64.57
Total :	23855	100	11640478	100.00

VII) Dematerialization of shares and Liquidity:

The shares of the Company are compulsorily traded in DEMAT form by all categories of investors with effect from 18th May, 2006. The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scrip less trading. As on 31st March, 95.64% shares of the Company were held in Dematerialized form.

Liquidity of shares:

The shares of the Company are actively traded in BSE Limited (BSE) and on The National Stock Exchange of India Limited (NSE).

VIII)	Plant Location:-	Door No.VIII/911, Erumathala Post, Aluva, Ernakulam District Kerala – 683 112
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i)	Investor Correspondence:-	
	For transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company	<p>a) For shares held in Physical Form:- M/s. Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No 1, Ramakrishna Street, T Nagar, Chennai 600 017 Tel: 044 28140801-803 E-Mail : corpserv@integratedindia.in</p> <p>b) For share held on Demat form:- To the Depository Participants.</p>
(ii)	Any query on Annual Report	Secretarial Department GTN TEXTILES LIMITED 5 th Floor, Palal Towers, M G Road, Ravipuram, Ernakulam, Kochi – 682 016 E-Mail: cs@gtntextiles.com

DECLARATION

Compliance with the Code of Business Conduct and Ethics

As provided under Regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel have affirmed compliance with GTN TEXTILES LIMITED Code and Ethics for the year ended 31st March, 2016.

Place: Kochi
Date: 01.8.2016

For GTN TEXTILES LIMITED
B.K. PATODIA
Chairman & Managing Director
(DIN 00003516)

CEO/ CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director of **GTN TEXTILES LIMITED** (the Company) to the best of our knowledge and belief certify that;

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March 2016 and that to the best of our knowledge and belief, we state that:
 - 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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal, or violation of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee:
 - i. Significant changes, if any, in internal control over financial reporting during the year;
 - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

Place: Kochi
Date: 01.8.2016

For GTN TEXTILES LIMITED
B.K. PATODIA
Chairman & Managing Director
(DIN 00003516)

CORPORATE GOVERNANCE CERTIFICATE

To
The Members of **GTN TEXTILES LIMITED**

We have examined the compliance of conditions of Corporate Governance by **GTN Textiles Limited** ("the Company") for the year ended 31st March, 2016 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance of the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 by the directors and the management and read with the paragraph above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 **M. S. JAGANNATHAN & VISVANATHAN**
CHARTERED ACCOUNTANTS
(ICAI FRN 001209S)

Place : Kochi
Date : 01.8.2016

R. MUGUNTHAN
PARTNER
M NO.21397