

10

Annual Report

2014 / 2015





Board of Directors

| | |
|--------------------|--|
| B K Patodia | Chairman & Managing Director |
| B L Singhal | Independent Director |
| Prem Malik | Independent Director |
| S Sundareshan | Independent Director |
| Pamela Anna Mathew | Additional Director (w.e.f. 17.3.2015) |
| Mahesh C Thakker | Non Executive Director |

| | |
|---|------------------|
| Vice President (Corporate Affairs) & Company Secretary | E K Balakrishnan |
| Vice President (Finance) & Chief Financial Officer | A K Warerkar |

Bankers & Financial Institution
 Central Bank of India
 State Bank of India
 Export-Import Bank of India
 State Bank of Travancore
 Bank of India
 Axis Bank Limited

Auditors M/s. M S Jagannathan & Visvanathan,
 [Chartered Accountants], Coimbatore

Legal Advisors M/s. Menon & Pai, Kochi

Registered Office Door No.VIII/911, Erumathala P O.,
 Aluva, Ernakulam 683112

Corporate Office 43, 4th Floor, Mittal Chambers,
 228, Nariman Point, Mumbai 400021

Corporate ID No. (CIN) L18101KL2005PLC018062



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GTN TEXTILES LIMITED

NOTICE

NOTICE is hereby given that the TENTH Annual General Meeting of the members of GTN TEXTILES LIMITED will be held at the Puzhayoram Hall, Hotel Periyar, Aluva-683 101 at 12:15 p.m on Friday, the 7th day of August, 2015 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015, the Reports of the Directors and the Auditors' thereon.
2. To appoint a Director in place of Shri Mahesh C Thakker (DIN: 01386254), who retires by rotation, and being eligible, offers himself for re-appointment.
3. Ratification of appointment of Statutory Auditors.

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 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, the appointment of M/s. MS Jagannathan & Visvanathan (Firm Reg. No: 001209S), Chartered Accountants as Auditors of the Company for a term of 3 years i.e. till the conclusion of the 12th Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 11th AGM of the Company to be held in the year 2016, at such remuneration plus service tax, out of pocket, traveling and living expenses etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**.

"RESOLVED THAT in accordance with the provisions of Sections 196,197,198, 203 and any other applicable provisions of the Companies Act,2013 (the "Act") and the Rules made thereunder read with Schedule V of the Companies Act,2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Shri. B.K. Patodia (DIN: 00003516) as Chairman & Managing Director of the Company, for a period of five years with effect from 19.12.2015, on the terms and conditions including remuneration as are set out and approved by the Nomination & Remuneration Committee and the Board of Directors. The draft remuneration structure placed before this meeting is specifically sanctioned with liberty to the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and or remuneration and or agreement, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013 including any statutory re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri. B.K. Patodia".

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Act, the remuneration payable to Shri. B.K. Patodia by way of salary, perquisites, commission and other allowance shall not in any event exceed 5% of the net profits of the Company in that financial year".

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri. B.K. Patodia, the remuneration, perquisites and other allowances shall be governed by the limits prescribed in Section II of Part II of Schedule V to the Act".

"RESOLVED FURTHER THAT Shri B.K. Patodia shall not be liable to retire by rotation"

AND

"FURTHER RESOLVED THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

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

"RESOLVED THAT Smt. Pamela Anna Mathew (DIN: 00742735), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 17th March, 2015 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom, the company has received a notice in writing from a member under Section 160 of the Act proposing her candidature as an Independent Director of the Company pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) read with Schedule IV to the Act, who shall hold office from the date of this Annual General Meeting, till 6th August, 2020 and whose office shall not, henceforth, will liable to determination by retirement of Directors by rotation"

By Order of the Board of Directors

E. K BALAKRISHNAN

Vice President (Corporate Affairs)

& Company Secretary

Membership No. ACS7629

Place : Kochi

Date : 27th May, 2015.

NOTES:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. The instrument appointing 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 send herewith. Proxy submitted on behalf of the Companies, Societies etc, must be supported by an appropriate resolution / authority, as applicable.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the Notice.
3. The Company has already notified Closure of Register of Members and Share Transfer Books thereof from Saturday, 1st August 2015, to Friday, 7th August, 2015 (both days inclusive) for the purpose of the Annual General Meeting.
4. Pursuant to Section 205A (5) of the Companies Act, 1956, dividend which remain unpaid/unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The following are the details of dividends paid by the Company and respective due dates for claim by the shareholders:

| Financial year Ended | Date of declaration of Dividend | Last date for claiming unpaid Dividend | Due date for transfer to IEPF |
|----------------------|---------------------------------|--|-------------------------------|
| 31.3.2008 | 25.7.2008 | 24.7.2015 | 23.8.2015 |

The company has uploaded the information of unclaimed / unpaid dividend in respect of the financial year 2007-08 on the website of the IEPF viz. www.iepf.gov.in and under "investors" section on the website of the company www.gtntextiles.com"

NOTICE (Contd...)

Shareholders who have not so far encashed the Dividend Warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company. Also note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid after a period of 7 (Seven) years from the date that they first became due for payment and no payment shall be made in respect of any such claim.

5. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Security Holders are entitled to make nomination in respect of securities held by them in physical form. Individual Security holder(s) can avail of the facility of nomination. The nominee shall be a person in whom all rights of transfer and / or amount payable in respect of the securities shall vest in the event of the death of the Security holder(s). In the case of joint holding, all joint holders shall together nominate any person as nominee. A minor can be a nominee provided the name and address of the guardian is given in the Nomination form. The facility of nomination is not available to non-individual Shareholders such as Bodies-Corporate, Kartas of Hindu Undivided Families, Partnership Firms, Societies, Trust and holders of Power of Attorney. For further details please contact Company's Secretarial Department. Security holders desirous of making nominations are requested to send their requests in Form No.SH-13 (which will be made available on request) to the Registrar and Share Transfer Agent, M/s. Integrated Enterprises (India) Limited.
6. Disclosure relating to particulars of Cost Auditor as per general Circular No.15/2011 dated 11th April, 2011 for the year ended 31.03.2014.

| Name | M/s STR & Associates |
|---|---|
| Address | 37 & 38, Kaveri Nagar, Srirangam, Trichy - 620 006. Ph: 0431 6547726, 2432224 e mail ID's : strengarajan@hotmail.com strassociates@rediffmail.com |
| Due date for filing Cost Audit Report in XBRL format for F.Y ended 31.03.2014 | 28.09.2014 |
| Actual date of filing Cost Audit Report in XBRL Format | 25.09.2014 |

7. Disclosure as per Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

| | |
|---|---|
| No. of Complaints of sexual harassment received during the year | — |
| No. of complaints disposed off during the year | — |
| No. of cases pending for more than ninety days | — |
| No. of workshops or awareness programme against sexual harassment carried out | 1 |
| Nature of action taken by the employer | — |

REQUEST TO THE MEMBERS:

1. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 (Seven) days in advance, so as to enable the Company to keep the information ready.
2. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.
3. All communications relating to shares including change in their address are to be addressed to the Company's Share Transfer Agent M/s. Integrated Enterprises (India) Ltd., 2nd Floor, Kences Towers,

No.1, Ramakrishna Street, T Nagar, Chennai-600017, Tel: 044 28140801-803; E-Mail: corpseiv@integratedindia.in.

4. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to register/update your e-mail addresses, in respect of shares held in dematerialized form with your respective Depository Participants and in respect of shares held in physical form with above RTA directly to enable Company to send communication / documents via e-mail.
5. Copies of the Annual Report 2015 along with Notice of the 10th AGM, Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/ Depository Participant (s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

Members who hold shares in physical forms are requested to dematerialize their holdings for facilitating the transfers of Company's equity shares in all Stock Exchanges connected to the depository system.

7. Voting through electronic means

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and clause 35 B of the Listing Agreement with the Stock Exchanges, the Company is pleased to offer Remote e-voting facility to the members to cast their votes electronically as an alternative to participation at the Annual General Meeting (AGM) to be held on Friday, 7th August, 2015 at 12.15 pm at Puzhayoram Hall, Hotel Periyar, Aluva-683101. Please note that remote e-voting through electronic means is optional. The company is also providing the facility of poll at the meeting by way of ballot. The Company has engaged the services of Central Depository Services India Ltd (CDSL) to provide remote e-voting facilities. The remote e-voting facility is available at the link <https://www.evotingindia.com> :

The Company had fixed on Friday, 31st July, 2015 as the cutoff date for determining voting right of shareholders entitled to participating in the remote e-voting process .In this regard, your demat account/folio number has been enrolled by the Company for your participation in remote e-voting on resolutions placed by the Company on e-voting system.

The remote e-voting facility will be available during the following period:

| | |
|--|---|
| Commencement of remote e-voting | 9:00 A.M. onwards on Tuesday, 4th August, 2015 |
| End of remote e-voting | Upto 5:00 P.M. on Thursday, 6th August, 2015 |

During this period, members of the company may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote(s) on a resolution is cast by the member, the member shall not be allowed to change it subsequently, as well as not allowed to vote at the meeting

The-voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the company as on Friday, 31st July, 2015. A person, whose name is recorded in the Register of members or in the Register of beneficial owners maintained by the Depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through ballot paper.

Any person who acquires shares of the company and becomes member of the company after dispatch of the Notice and holding shares as on cut off date i.e. 31st July, 2015 may obtain the sequence number by sending a request at corpseiv@integratedindia.in.

NOTICE (Contd...)

The instructions for members for voting electronically (both for physical shareholders as well as demat holders) are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "GTN TEXTILES LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|--|--|
| PAN* | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits sequence number in the PAN Field. • In the case of sequence number is less than 8 digits; enter the applicable number of 0's before the number after the first two character of the name in CAPITAL letter. <p>E.g. If your name is Ramesh Kumar with sequence number 1, then enter RA00000001 in the PAN field.</p> |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p># Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field in order to login.</p> |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for GTN TEXTILES LIMITED on which you choose to vote.
- (xii) On the-voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the

option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the-voting done by you by clicking on "Click here to print" option on the-voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - a) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. evoting@cdslindia.com.
 - b) After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - c) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - d) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
 - The Company has appointed Shri MRL Narasimha (Membership No.2851, CPNO 799), Practicing Company Secretary as the Scrutinizer to scrutinize the remote e-voting process in fair and transparent manner.
 - The Scrutinizer shall, immediately after the conclusion of the-voting at the AGM, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment in the company and make not later than three days of conclusion of the meeting a consolidated Scrutinizers Report of the Total votes cast in favour or against, if any, to the Chairman or person authorized by him in writing who shall counter sign the same. The chairman or the person authorized by him shall declare the result of the-voting forthwith.
 - The results declared alongwith the Scrutinizers Report shall be placed on the Company's website www.gntextiles.com and on the website of CDSL immediately after the result have been declared by the chairman. The company shall simultaneously communicate the result to BSE Limited and National Stock Exchange of India Limited, who shall be place the same in their website www.gntextiles.com

**DETAILS OF DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING
PURSUANT TO SECTION 160 OF THE COMPANIES ACT,2013
(In pursuance of Clause 49 of the Listing Agreement)**

| Name of Director | Shri Mahesh C Thakker | Smt. Pamela Anna Mathew |
|---------------------------------------|--|---|
| Date of Birth | 7.9.1964 | 24.2.1950 |
| DIN | 01386254 | 00742735 |
| Date of appointment | 31.10.2013 | 17.3.2015 |
| Qualifications | Graduate | Double Post Graduate in Economics & Business Administration |
| Expertise in specific functional area | Shri Mahesh C Thakker is aged 50 years, and is the Managing Director of M/s. Purav Trading Limited. He is also partner in M/s. Perfect Cotton Company, Mumbai and M/s. Patcot & Company, Mumbai. These Company / firms are mainly engaged in raw cotton procurement. He is having more than 25 years of experience in raw cotton procurement line. | Smt. Pamela Anna Mathew, aged about 65 years, is a twin Post Graduate in Economics & Business Administration, having 41 years of professional managerial experience, presently Managing Director of O/E/N India Limited, market leader in the country in the field of Electro Mechanical components for the Electronics Industry. Smt. Pamela Anna Mathew was the Past President of Cochin Chamber of Commerce, Kerala Management Association and Electronic Components Industries Association. She is closely associated with Kerala State Productivity Council and Confederation of Indian Industry. She was the Chairperson of CII, Kerala Council during the year 2002-03. She had received CII Award for the best Chairperson at National level for outstanding contributions to the industry, Management Leadership Award- 2011 of KMA for Managerial Excellence and Outstanding Entrepreneurship Award - 2011 by Kerala State Industrial Development Corporation Ltd. |
| Shareholding in the Company. | 9475 Equity Shares of Rs 10 each | None |

Details of other Directorship:-

| Name of Director | Name of the Company | Position held | Committee type | Membership status | Shareholdings |
|--------------------------------|--|---------------------|----------------|-------------------|--------------------|
| Smt. Pamela Anna Mathew | Patspin India Limited | Additional Director | None | None | None |
| | O E N India Limited | Managing Director | None | None | 48.04% |
| | Muthoot Finance Limited | Additional Director | None | None | None |
| | INKEL-KSIDC Projects Limited | Director | None | None | None |
| | INKEL Limited | Director | None | None | None |
| | Geomaths Stocks and Shares Trading private Limited | Additional Director | None | None | None |
| Shri Mahesh C Thakker | Purav Trading Ltd | Managing Director | None | None | 7600 Equity Shares |

By Order of the Board of Directors

E K BALAKRISHNAN
Vice President (Corporate Affairs)
& Company Secretary
Membership No. ACS7629

Place : Kochi
Date: 27.5.2015

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM No.4:

The present term of office of Shri B.K. Patodia as Chairman & Managing Director will expire on 18th December, 2015. Subject to shareholders' approval, the Board of Directors, at their meeting held on 27.5.2015 have reappointed him for a further period of five years from the expiry date of his term on the remuneration determined by the Nomination & Remuneration Committee of the Board of Directors.

Nomination & Remuneration Committee constituted by the Board had met on 27.5.2015 and approved and recommended remuneration package of Shri. B.K. Patodia, Managing Director for a period of three years, in accordance with Schedule V to the Companies Act, 2013

In terms of Section II Part II of Schedule V of the Companies Act, 2013, where in any financial year, during the currency of the tenure of the managerial person, a Company has no profits or its profits are inadequate, it may pay remuneration to a managerial person without central government approval not exceeding the higher of the following two limits (A and B):

| A. | |
|---|---|
| (1) | (2) |
| Where the Effective Capital (EC) is | Limit of yearly remuneration payable shall not exceed (Rs.) |
| i. Negative or less than Rs. 5 Crore | 30 lacs |
| ii) Rs. 5 crores and above but less than Rs. 100 Crores | 42 lacs |
| iii) Rs. 100 crores and above but less than Rs.250 Crores | 60 lacs |
| iv) Rs. 250 Crores and above | 60 lacs + 0.01% of EC in excess of Rs. 250 Crores |

Provided that the above limits shall be doubled if the resolution passed by the shareholders is a special resolution.

B.

In case of managerial person who was not a security holder holding securities of the Company of nominal value of rupees five lacs or more or an employee or a director of the Company or not related to any director or promoter at any time during the two years prior to his appointment as a managerial person, — 2.5% of the current relevant profit.

Provided that if the resolution passed by the shareholders is a special resolution, this limits shall be doubled.

Provided that the limits specified under this section shall apply, if

- (i) payment of remuneration is approved by a resolution passed by the Board and, in the case of a Company covered under sub section (1) of section 178 also by the Nomination and Remuneration Committee;
- (ii) the Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest

payable thereon for a continuous period of thirty days in the preceding financial year before the date of appointment of such managerial person;

- (iii) a special resolution has been passed at the general meeting of the Company for payment of remuneration for a period not exceeding three years; and
- (iv) a statement along with notice calling the General Meeting referred to in Clause(iii) is given to the shareholders containing certain information as specified in the said Schedule.

Shri. B.K. Patodia was drawing a monthly salary of Rs.3,00,000/- in the scale of Rs. 3,00,000 – Rs. 10000 – Rs. 3,20,000 effective from 1st June, 2014 plus usual perquisites. Under his able leadership, the Company has recorded significant growth. Therefore, the Nomination & Remuneration Committee unanimously recommended to retain the remuneration of Rs.300000/- per month in the scale Rs.300000-Rs 10000-Rs 320000 plus usual perquisites to Shri. B.K.Patodia, Managing Director for a period of three years from 1-6-2015 to 31-5-2018, as set out below:

a) Salary:

Rs.3,00,000/- per month in the Scale Rs. 3,00,000 – Rs 10,000 – Rs. 3,20,000 effective from 1st June, 2015 for a period of three years up to 31st May, 2018.

b) Commission:

Subject to the overall limits laid down in Sections 197 of the Companies Act, 2013 such percentage of the Net Profit of the Company or such quantum as may be fixed by the Board of Directors for each financial year not exceeding 2% of the Net Profits of the Company, each year, restricted to an overall limit of Rs.42 lacs per annum.

c) Perquisites as follows:

- (i) Housing: Rent free accommodation will be provided to the appointee for which actual amount of lease rental paid or payable by the Company or 10% of the salary, whichever is lower, shall be recovered. In case no accommodation is provided by the Company, House Rent Allowance, subject to a ceiling of 60% of the appointees salary shall be paid. In addition, the appointee shall be allowed Company owned furniture and fixtures, if required.
- (ii) The expenditure incurred by the appointee on gas, electricity and water shall be reimbursed by the Company.
- (iii) All Medical Expenses incurred by the appointee for self and his family shall be reimbursed.
- (iv) Leave Travel Concession for the appointee and his family will be allowed once in a year as per the Rules of the Company.
- (v) Fees of Clubs: Subject to a maximum of 2 Clubs. This will not include admission and life membership fees.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (Contd...)

(vi) Personal Accident Insurance: As per Rules of the Company.

(vii) Provision of Car with driver and telephone at the residence for use of Company's business.

Perquisites not included in Managerial Remuneration

- contribution to Provident Fund, Superannuation or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961
- gratuity payable at a rate not exceeding half a months salary for each completed year of service; and
- encashment of leave at the end of the tenure.

d) Overall Remuneration:

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may for the time being in force.

e) Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under the Section II of Part II of Schedule V to the Act.

Further more, approval of the members in general meeting by way of a special resolution is required to be obtained for payment of minimum remuneration, by way of salary and perquisites and allowances as specified above in the event of absence or inadequacy of profits in any financial year during the tenure of Shri B.K. Patodia, Managing Director of the Company.

Shri. B.K. Patodia is deemed to be interested in the resolution mentioned in Item no.4 of the Notice.

None of the other directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financial or otherwise, in the resolution.

Information required to be disclosed in terms of Schedule V to the Companies Act, 2013:-

I. General Information:

- Nature of the industry:
Textile Industry – the Company is mainly engaged in manufacture and exports of yarn, both for domestic and international markets.
- Date or expected date of commencement of Commercial Production:
The Commercial Production has commenced at its Aluva plant in 1964.
- In case of new companies, expected date of commercial activities as per Project approved by financial institutions appearing in the prospectus.
Not applicable.

iv) Financial Performance:

| (Rs. in lacs) | | | |
|--------------------------------|---------|---------|--------------|
| Particulars | 2012-13 | 2013-14 | 2014-15 |
| Revenue from Operations | 20939 | 28612 | 18598 |
| Other income | 35 | 62 | 73 |
| Operating Profit | 1202 | 2294 | 1099 |
| Finance Cost | 1072 | 1291 | 1089 |
| PBDT | 130 | 1003 | 10 |
| Profit/(Loss)Before Tax | (498) | 392 | (447) |
| Profit / (Loss)After Tax | (356) | 197 | (306) |
| Amount of Equity Dividend Paid | NIL | NIL | NIL |
| Rate of Dividend Declared (%) | NIL | NIL | NIL |

The Effective Capital of the Company based on the Audited Accounts for the Year Ended 31.3.2015 is Rs 27.72 Crores.

The Company has not made any default in the repayments of its dues (including Public Deposits) or interest payments thereon. The Company has not issued any debentures.

v) Export Performance and Net foreign Exchange contributions:

| (Rs. in Lacs) | |
|----------------|-----------------|
| Financial Year | Export Turnover |
| 2012-13 | 10823 |
| 2013-14 | 17919 |
| 2014-15 | 9370 |

The Company does not have any Foreign Exchange Collaboration.

vi) Foreign Investments or Collaborators, if any:

The Company does not have any foreign investments or collaborators.

II. Information about the appointee: Shri.B.K. Patodia

Vide Item No.4 of the Notice of this Annual General Meeting of the Company; the approval of the members is being sought for fixing the remuneration of Shri. B.K. Patodia, Managing Director effective from 1st June,2015 for a period of three years from 01.06.2015 to 31.5.2018. Shri. B.K. Patodia is a Citizen of India, 70 years of age, holds the Engineering Degree from Birla Institute of Science and Technology, Pilani, is the past Chairman of the Cotton Textiles Export Promotion Council, (Texprocil), Mumbai. He is also the past Chairman of the Indian Cotton Mills' Federation, (now known as Confederation of Indian Textile Industry) and Southern India Mills' Association, Coimbatore. He has also served as President of Cochin Chamber of Commerce and Industry, Cochin and Employers' Federation of Southern India, Chennai.

Mr. Patodia is the past Chairman of the Joint Cotton Committee of International Textile Manufacturers Federation (ITMF), Zurich. He is a member of the Advisory Board on the

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (Contd...)

Committee of Management of ITMF. He is also a member of the Spinners Committee of ITMF.

Mr. Patodia has been nominated by Ministry of Consumer Affairs, Food and Public Distribution as a member of the National Advisory Committee to advise the Central Government and Forward Markets Commission regarding Commodity Futures Markets.

Mr. Patodia is a Director on the Boards of several leading Companies and is also a Member of several Government Committees including the Cotton Advisory Board and Cotton Yarn Advisory Board appointed by the Ministry of Textiles, Government of India. He was also actively involved in the Sub-Group on Cotton to formulate National Fibre Policy of the Ministry of Textiles.

During the financial year 2014-2015, he was paid the following remuneration:

| (Rs. in lacs) | | | | |
|---------------|------------|-------------|----------------------------------|-------|
| Salary | Commission | Perquisites | P.F./Gratuity/ Superannuation | Total |
| 36.74 | Nil | 1.98 | 6.25 | 44.97 |

Pecuniary Relationship: The Company had not entered into any transaction of material in nature with any of the related parties which were in conflict with the interest of the Company. Further, all transactions with the related parties were in the ordinary course of business and at arms length.

III. Other Information:

The Directors Report and the Management Discussion and Analysis forming part of the Annual Report mentioned in detail "other information" as required under Schedule V of the Companies Act, 2013.

Draft Agreement referred in the resolution would be available for inspection by the members at the Registered office of the Company during normal business hours on all working days up to the date of the Annual General Meeting.

None of the other Directors of the Company and Key Managerial Personnel or their relatives is in any way concerned or interested, financial or otherwise in the resolution.

Since Shri. B.K. Patodia attained 70 years, his appointment is to be approved by the Shareholders by way of a Special Resolution.

The terms and conditions mentioned in item No.4 of the notice may also be taken as an Abstract of the agreement to be made by the Company with Shri B.K.Patodia, pursuant to section 190 of the Companies Act, 2013.

Your Directors recommend this Resolution for approval.

ITEM NO. 5:

The Board of Directors has appointed Smt. Pamela Anna Mathew as Additional Director w.e.f. 17th March, 2015. As per the provisions of 161(1) of the Act, Smt. Pamela Anna Mathew shall hold office as an Additional Director only up to the date of this Annual General Meeting of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Smt. Pamela Anna Mathew as an Independent Director for five consecutive years for a term upto 6th August, 2020.

In the opinion of the Board, Smt. Pamela Anna Mathew fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as an Independent Director of the Company and is independent of the management. She is not holding any equity shares in the Company and does not hold, by herself or for any other person any shares on a beneficial basis in the Company. Pursuant to revised Clause 49 of the Listing Agreement Smt. Pamela Anna Mathew's tenure as Independent Director in the Company shall be less than 5 years and therefore, this appointment will be treated as her 1st term in the office.

The Board considers that her continued association would be of great benefit to the Company and it is desirable to continue the service of Smt. Pamela Anna Mathew as Independent Director of the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Smt. Pamela Anna Mathew as Independent Director, for the approval by the shareholders of the Company by way of Ordinary Resolution.

Copy of the draft letter for appointment of Smt. Pamela Anna Mathew as an Independent Director would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day.

None of the Directors and Key Managerial Personnel or their relatives except Smt. Pamela Anna Mathew is concerned or interested, financial or otherwise, in the resolution set out at item No.5.

By Order of the Board of Directors

E K BALAKRISHNAN
Vice President (Corporate Affairs)
& Company Secretary
Membership No. ACS7629

Place : Kochi
Date: 27.5.2015

GTN TEXTILES LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors present the **TENTH** Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2015

FINANCIAL RESULTS

(Rs in lacs)

| PARTICULARS | Year Ended | |
|---|--------------|--------------|
| | 31.03.2015 | 31.03.2014 |
| REVENUE | | |
| Income from operations | 18598 | 28612 |
| Other income | 73 | 62 |
| Changes in Inventories | 758 | (143) |
| Total | <u>19429</u> | <u>28531</u> |
| EXPENSES | | |
| a) Cost of materials | 12655 | 19793 |
| b) Employee benefits expense | 2580 | 2443 |
| c) Other expenses | 3095 | 4001 |
| Total | <u>18330</u> | <u>26237</u> |
| OPERATING PROFIT | 1099 | 2294 |
| Finance Costs | 1089 | 1290 |
| PROFIT/(LOSS) BEFORE DEPRECIATION, AMORTISATION & TAX EXPENSES | 10 | 1004 |
| Depreciation and Amortisation Expenses | 457 | 611 |
| PROFIT/(LOSS) BEFORE TAX | (447) | 393 |
| Tax Expenses | | |
| a) Current Tax (MAT) | — | 78 |
| b) MAT credit entitlement | — | (78) |
| c) Deferred Taxation | 141 | 197 |
| PROFIT/(LOSS) AFTER TAX | <u>(306)</u> | <u>196</u> |

DIVIDEND

As explained in detail under performance review, your company has incurred loss for the year and hence the Board is unable to recommend a dividend for the financial year ended 31st March, 2015.

PERFORMANCE REVIEW

The Indian Textile Industry performed reasonably well during the fiscal year 2013-14 and continued the trend in the first two quarters of 2014-15 also. But, from the 3rd quarter of 2014-15, the industry went into tailspin due to a number of factors. One of the major causes was crash in the raw material prices globally by almost 50% and the Indian cotton prices were no exception. Spinning Mills, specially Export Oriented Mills like ours, who are obliged to carry several months requirement of raw cotton for quality reasons incurred substantial value losses on such inventories. The other important factor was significant changes in Chinese procurement policies and substantial reduction in Chinese import of cotton yarn. Consequently, yarn prices also fell significantly leading to lack of parity between cotton and cotton yarn prices. The cotton yarn exports from India into China also dropped by nearly 23%. These factors had a bearish effect on both demand and sales realization resulting in the mills carrying large unsold inventories and incurring losses. Moreover, the situation in respect of fine and superfine yarns which are our company's main product lines continues to suffer from both lack of demand and sales realization which is below the cost of production. Salaries & Wages continued to rise

during the year besides hike in power cost, thereby rendering the cost of manufacturing prohibitive.

Your company's total revenues sharply came down to Rs.186.71 crores from Rs.286.74 crores in the previous year due to substantial reduction in exports of outsourced yarns for reasons mentioned above. The operating profit came down to Rs.10.99 crores from Rs.22.94 crores in the previous year. After meeting finance cost of Rs.10.89 crores, the profit before depreciation, amortization and tax expenses was at Rs.10 lacs only and net loss after provision of depreciation and deferred taxation at Rs.3.06 crores.

As regards performance of Aluva Unit in the current year, your Directors regret to inform that it continues to incur substantial losses. As already informed, ever rising high cost of salaries and wages as compared to industry norms has resulted in an unviable and untenable situation. To ensure survival of this unit, it is imperative that these costs are brought down to be at par with the industry.

CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION AND ANALYSIS AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND LISTING AGREEMENT

As per Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Corporate Governance Report with Auditors Certificate thereon and Management Discussion and Analysis are attached and form part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134 (5) of the Act, and based on the representations received from the management, the directors hereby confirm that :

- i) In the preparation of the annual accounts for the financial year 2014-15, the applicable accounting standards have been followed and there are no material departures;
- ii) they 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 loss of the company for the financial year.
- iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) they have prepared the annual accounts on a going concern basis.
- v) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, in accordance with the provisions of the Companies Act, 2013 and Company's Articles of Association, Shri Mahesh C Thakker retires by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment.

DIRECTORS' REPORT (Contd...)

The Board recommends the same for your approval.

Smt. Pamela Anna Mathew has been inducted as an Additional Director effective from 17.03.2015 and hold office only up to the date of forthcoming Annual General Meeting of the company. Based on the recommendation of Nomination and Remuneration Committee, the Board recommends and seeks shareholders approval for appointment of Smt. Pamela Anna Mathew as an Independent Director for a period of 5 years.

Pursuant to the provisions of Section 203 of the Act, the appointment of Shri. B.K Patodia, Chairman and Managing Director, Shri. A.K. Warkerkar Chief Financial Officer and Shri. E.K Balakrishnan, Company Secretary were formalized by the Board at its meeting held on 15.5.2014 as the Key Managerial Personnel of the Company.

AUDITORS AND SECRETARIAL AUDIT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. M S Jagannathan & Visvanathan, Chartered Accountants, Coimbatore, were appointed as Statutory Auditors of the Company from the conclusion of the 9th Annual General Meeting (AGM) of the Company held on 19th September, 2014 till the conclusion of the 12th Annual General Meeting to be held in the year 2017, subject to ratification of their appointment at every AGM

Further, pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Shri. MRL Narasimha, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The same is attached as **Annexure I** and forms an integral part of this Report

There are no disqualification, reservations or adverse remarks or disclaimers in the Auditors and Secretarial Auditors Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in the **Annexure II** forming part of this report

CORPORATE SOCIAL RESPONSIBILITY

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the Company yet the company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

FAMILIRISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which interalia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations and affirmation taken with respect to the same.

The Chairman along with the Management has also one to one discussion with the newly appointed Director to familiarize with the company's operations.

NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board held during the Financial Year 2014-15, forms part of the Corporate Governance Report

INDEPENDENT DIRECTORS DECLARATION

The Non Executive Independent Directors fulfill the conditions of independence specified in Section 149 (6) of the Companies Act, 2013 and Rules made there under and meet with requirement of Clause 49 of the Listing Agreement entered into with the stock Exchanges. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Agreement has been issued and disclosed on the website of the Company viz. www.gtntextiles.com

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Details of loans, guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism / whistle Blower policy for Directors and employees to report genuine concerns or grievances. The Whistle Blower policy has been posted on the website of the Company (www.gtntextiles.com).

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control and risk mitigation system, which has consistently assessed and strengthened with standard operating procedure. Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

The Audit Committee of the Board of Directors, statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. To maintain its objectivity and independence, the internal audit function reports to the Chairman of the Audit Committee

RISK MANAGEMENT

The Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. The Company is having a business risk management framework in place, which defines the risk management approach of the company and includes periodic review of such risks and mitigating controls and reporting mechanism of such risks.

DIRECTORS' REPORT (Contd...)

NOMINATION & REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a frame work in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

RELATED PARTY TRANSACTIONS

The transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business. The disclosure under form AOC-2 for transactions with related party during the year under review is attached as **Annexure III**.

The Company has developed a Related Party Transactions framework for the purpose of identification and monitoring of such transaction.

A Statement giving details of Related party transactions are placed before the Audit Committee as also to the Board for review and approval on a quarterly basis.

DEPOSIT FROM PUBLIC

The Company has not accepted any deposits from public and as such no amount on account of principal or interest on deposit from public was outstanding as on the date of the Balance sheet

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form MGT-9 as per Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of Companies (Management & Administration) Rules, 2014 is annexed hereto as **Annexure IV** and forms part of this report.

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134 (3) (q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required pursuant to Section 134 (3) (q) of the Companies Act, 2013 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard

PERSONNEL & INDUSTRIAL RELATIONS

Industrial Relations were cordial and satisfactory. There were no employees whose particulars are to be given in terms of Section 134(3)(q) of the companies Act,2013 read with Rule 5(2) and 5(3) of the companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to Central Bank of India, State Bank of India, Export-Import Bank of India, State Bank of Travancore, Bank of India and Axis Bank Limited and the concerned Departments of the State and Central Government, valuable customer, Employees and Shareholders for their assistance, support and co-operation to the Company.

For and on behalf of the Board

Place : Kochi,
Date : 27.5.2015

B.K PATODIA
Chairman

ANNEXURE- I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH,2015

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

To,

The Members of

M/s. GTN Textiles Limited

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by GTN Textiles Limited for the financial year ended on 31.03.2015 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) 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;

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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during audit period)
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during audit period)
- f) 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;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during audit period) and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the period) .

Based on the information and explanation given by the Company there are no laws as may be specifically applicable to the Company.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India. (Not yet notified during Audit period)
- The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Ltd.

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 Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during

ANNEXURE- I (Contd...)

the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 passed following specific Resolution "Increase in borrowing limits under Sec.180(1) (c) of the Companies Act, 2013"

Place : Kochi
Date : 27.5.2015

M.R.L.NARASIMHA
Company Secretary in Practice
Membership No.2851
C P No.:799

TO, THE MEMBERS OF GTN TEXTILES LIMITED

Our report of even date is to be read along with this letter.

1. Maintainance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and 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, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and book of account of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules and regulations, standard is the responsibility of management. Our 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.

Place : Kochi
Date : 27.5.2015

M.R.L.NARASIMHA
Company Secretary in Practice
Membership No.2851
C P No.:799

ANNEXURE- II

ANNEXURE TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo etc. required to be disclosed under Section 134 of the Companies Act 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

A. Conservation of Energy

- (i) The step taken or impact on conservation of energy
- ii) The steps taken by the company for utilizing alternate sources of energy
- (iii) The capital investments on energy conservation equipments

Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution system and through improved operational techniques

Additional investments and proposals, if any being implemented for reduction of conservation of energy.

B. Technology absorption:

- a) The efforts made towards technology absorption
- b) the benefits derived like product improvement, cost reduction, product development or import substitution
- c) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - a) the details of technology imported
 - b) the year of import;
 - c) whether the technology been fully absorbed
 - d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof
- d) the expenditure incurred on Research and Development.

Updation of Technology is a continuous process, absorption implemented and adapted by the company for innovation. Efforts are continuously made to develop new products required in the Textile / Spinning Industry.

Indigenous technology alone is used and research and development are carried out by separate Textile Research Association for textile units situated in Southern Region (SITRA)

In many areas appropriate technology updation has been done and some are as under

| | | |
|-------------------------------|------------|--------------|
| Chinese circular bale plucker | Graf Wire | Graf Unicomb |
| May, 2013 | July, 2012 | August, 2014 |
| Yes | Yes | Yes |

: NIL

The Foreign Exchange earned in terms of actual inflow during the year Rs. 9370.24 Lakhs

The Foreign Exchange outgo during the year in terms of actual outflows Rs. 5676.79 Lakhs

(The Foreign Exchange outgo and Foreign Exchange earned by the company during the year are detailed in Note No. 36, 37 & 39 of Other notes to the Financial Statements

ANNEXURE- III**FORM NO.AOC-2**

(Pursuant to Clause (h) of Sub-section(3)of the 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 contracts or arrangements or transaction not on arms length basis

| | |
|--|-----|
| a) Name (s) of the related party and nature of relationship | Nil |
| b) Nature of contracts / arrangements/transactions | Nil |
| c) Duration of the contracts/arrangements/transactions | Nil |
| d) Salient terms of the contracts or arrangements/transactions including the value, if any | Nil |
| e) Justification for entering into such contracts or arrangements or transactions | Nil |
| f) Date(s) of approval by the board | Nil |
| g) Amount paid as advances, if any | Nil |

2. Details of material contracts or arrangement or transactions at arm's length basis

| S. No | Particulars | Details | | | | |
|-------|--|--|--|---|---|---|
| a | Name of the related party | PATSPIN INDIA LTD | GTN ENTERPRISES LTD | PRABHA PATODIA | MALA PATODIA | SWATI PATODIA |
| | Nature of relationship | Associate | Shri. B.K. Patodia, Managing Director is interested | Relative of Shri. B.K. Patodia, Managing Director | Relative of Shri. B.K. Patodia, Managing Director | Relative of Shri. B.K. Patodia, Managing Director |
| b | Nature of contract/ arrangements/ transaction | a) Sale, purchase, supply of cotton yarn and other related materials b) Sell, dispose off or buying properties, plant and machineries and other equipments c) Leasing or hiring properties / assets of any kind d) Availing or rendering of processing charges or any other services of whatever nature | a) Sale, purchase, supply of cotton yarn and other related materials b) Sell, dispose off or buying properties, plant and machineries and other equipments c) Leasing or hiring properties / assets of any kind d) Availing or rendering of processing charges or any other services of whatever nature | Rent payment | Rent payment | Rent payment |
| c | Duration of the contract/arrangement/ transaction | 5 Years from 19.9.2014 | 5 Years from 19.9.2014 | 5 Years from 19.9.2014 | 5 Years from 19.9.2014 | 5 Years from 19.9.2014 |
| d | Salient terms of the contracts or arrangements/ transactions including the value, if any | At Competitive rate and at arm's length basis | At Competitive rate and at arm's length basis | Agreement | Agreement | Agreement |
| e | Date of approval by the Board | 30.07.2014 | 30.07.2014 | 30.07.2014 | 30.07.2014 | 30.07.2014 |
| f | Date of shareholders approval | 19.9.2014 | 19.9.2014 | 19.9.2014 | 19.9.2014 | 19.9.2014 |
| g | Amount incurred during the year (Rs. In Lacs) | Rs. 2156.57 | Rs. 3380.24 | Rs. 1.80 | Rs. 0.90 | Rs. 0.90 |

For and on behalf of the Board
B.K. PATODIA
Chairman

ANNEXURE- IV

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
FINANCIAL YEAR ENDED ON 31/03/2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:i **CIN:-L18101KL2005PLC018062**ii **Registration Date: 28/03/2005**iii. **Name of the Company: GTN TEXTILES LIMITED**iv. **Category / Sub-Category of the Company: PUBLIC, HAVING SHARE CAPITAL**V. **Address of the Registered office and contact details:**

| NAME AND REGISTERED OFFICE ADDRESS OF COMPANY: | |
|--|---|
| Name | Gtn Textiles limited |
| Address | Door no.VIII/911, Erumathala Po, Aluva, Kochi, Ernakulam |
| Town / City | Ernakulam |
| State | Kerala |
| Pin Code: | 683112 |
| Country Name : | India |
| Country Code | 91 |

vi) **Whether listed company : YES**vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any**

| | |
|---------------------------------------|--|
| Registrar & Transfer Agents (RTA):- | M/s Integrated Enterprise(India) Limited |
| Address | 2nd floor, Kences Towers, No.1, Ramakrishna Street, T. Nagar |
| Town / City | Chennai |
| State | Tamil Nadu |
| Pin Code: | 600017 |
| Telephone (With STD Area Code Number) | 044-28140801 044-28140803 |
| Fax Number : | 044-28142479 |
| Email Address | corpserv@integratedindia.in |

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)

| SN | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|----|--|----------------------------------|------------------------------------|
| 1 | COTTON YARN SPINNING | 13111 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

Patspin India Limited is the associate company of GTN Textiles Limited. Details of Patspin India Limited is as follows:-

Address : 3rd floor, Palal Towers
M G Road, Ravipuram,
Kochi-682016

CIN : L18101KL1991PLC006194

Applicable Section : 2(6) of the Companies Act, 2013

ANNEXURE- IV (Contd...)
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 01 April—2014] | | | | No. of Shares held at the end of the year [As on 31—March—2015] | | | | % Change during the year |
|--|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 5022089 | NIL | 5022089 | 43.14 | 5022089 | NIL | 5022089 | 43.14 | 0.00 |
| b) Central Govt | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| c) State Govt(s) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| d) Bodies Corp. | 2228349 | | 2228349 | 19.15 | 2228349 | | 2228349 | 19.15 | 0.00 |
| e) Banks / FI | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| f) Any other | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| Total shareholding of Promoter (A) | 7250438 | NIL | 7250438 | 62.29 | 7250438 | NIL | 7250438 | 62.29 | 0.00 |
| Sub total (A) (1) | 7250438 | NIL | 7250438 | 62.29 | 7250438 | NIL | 7250438 | 62.29 | 0.00 |
| (2) Foreign | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | |
| a) NRIs – Individuals | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| b) Other – Individuals | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| c) Bodies Corp. | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| d) Banks / FI | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| e) Any other | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| Sub total (A) (2) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| a) Mutual Funds | 300 | 1386 | 1686 | 0.01 | 300 | 1386 | 1686 | 0.01 | 0.00 |
| b) Banks / FI | NIL | 42 | 42 | NIL | NIL | 42 | 42 | NIL | 0.00 |
| c) Central Govt | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| d) State Govt(s) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| e) Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| f) Insurance Companies | 87277 | 100 | 87377 | 0.75 | 87277 | 100 | 87377 | 0.75 | 0.00 |
| g) FIs | NIL | 2000 | 2000 | 0.02 | NIL | 2000 | 2000 | 0.02 | 0.00 |
| h) Foreign Venture Capital Funds | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| i) Others (specify) | 800 | NIL | 800 | 0.01 | 800 | NIL | 800 | 0.01 | 0.00 |
| Sub—total (B)(1):— | 88377 | 3528 | 91905 | 0.79 | 88377 | 3528 | 91905 | 0.79 | 0.00 |
| 2. Non—Institutions | | | | | | | | | |
| a) Bodies Corp. | 366375 | 12101 | 378476 | 3.25 | 301362 | 12101 | 313463 | 2.69 | (0.56) |
| i) Indian | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| ii) Overseas | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| b) Individuals | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 2471267 | 493479 | 2964746 | 25.47 | 2331499 | 487755 | 2819254 | 24.22 | (1.25) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 897741 | 17700 | 915441 | 7.86 | 1102629 | 17700 | 1120329 | 9.62 | 1.76 |

ANNEXURE- IV (Contd...)

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 01 April—2014] | | | | No. of Shares held at the end of the year [As on 31—March—2015] | | | | % Change during the year |
|--|---|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c) Others (specify) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| Non Resident Indians | 12288 | | 12288 | 0.11 | 6833 | | 6833 | 0.06 | (0.05) |
| Clearing Members | 27184 | | 27184 | 0.23 | 38256 | | 38256 | 0.33 | 0.10 |
| Sub—total (B)(2):— | 3774855 | 523280 | 4298135 | 36.92 | 3868956 | 521084 | 4390040 | 37.71 | 0.79 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | NIL | NIL | NIL | NIL | NIL | NIL | NIL | NIL | 0.00 |
| Grand Total (A+B+C) | 11113670 | 526808 | 11640478 | 100. | 11119394 | 521084 | 11640478 | 100.00 | 0.00 |

ii) Shareholding of Promoter-

| S. No. | Share holder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|--------|--|---|----------------------------------|---|--------------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1 | Binod Kumar Patodia | 1192868 | 10.25 | NIL | 1192868 | 10.25 | NIL | NIL |
| 2 | Umang Patodia | 280686 | 2.41 | NIL | 280686 | 2.41 | NIL | NIL |
| 3 | Ankur Patodia | 7500 | 0.06 | NIL | 7500 | 0.06 | NIL | NIL |
| 4 | Prabha Patodia | 384960 | 3.31 | NIL | 384960 | 3.31 | NIL | NIL |
| 5 | Mala Patodia | 10000 | 0.09 | NIL | 10000 | 0.09 | NIL | NIL |
| 6 | Swati Patodia | 10000 | 0.09 | NIL | 10000 | 0.09 | NIL | NIL |
| 7 | Binod Kumar Patodia HUF | 1158880 | 9.96 | NIL | 1158880 | 9.96 | NIL | NIL |
| 8 | M/s Beekayee Credit P Ltd | 726623 | 6.24 | NIL | 726623 | 6.24 | NIL | NIL |
| 9 | M/s Patodia Export and Investments P ltd | 641720 | 5.51 | NIL | 641720 | 5.51 | NIL | NIL |
| 10 | Umang Finance P Ltd | 696946 | 5.99 | NIL | 696946 | 5.99 | NIL | NIL |
| 11 | Prabha Patodia | 297458 | 2.55 | NIL | 297458 | 2.55 | NIL | NIL |
| 12 | Binod Kumar Patodia | 2712 | 0.02 | NIL | 2712 | 0.02 | NIL | NIL |
| 13 | Umang Patodia | 2446 | 0.02 | NIL | 2446 | 0.02 | NIL | NIL |
| 14 | Mala Patodia | 147760 | 1.27 | NIL | 147760 | 1.27 | NIL | NIL |
| 15 | Beekaypee Credit P Ltd | 95688 | 0.82 | NIL | 95688 | 0.82 | NIL | NIL |
| 16 | Umang Finance P Ltd | 36106 | 0.31 | NIL | 36106 | 0.31 | NIL | NIL |
| 17 | Ankur Patodia | 724831 | 6.23 | NIL | 724831 | 6.23 | NIL | NIL |
| 18 | Umang Patodia | 551988 | 4.74 | NIL | 551988 | 4.74 | NIL | NIL |
| 19 | Swati Patodia | 250000 | 2.15 | NIL | 250000 | 2.15 | NIL | NIL |
| 20 | Patodia Export and Investments P Ltd | 31266 | 0.27 | NIL | 31266 | 0.27 | NIL | NIL |

ANNEXURE- IV (Contd...)

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

| Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|----------------------------------|---|----------------------------------|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | 7250438 | 62.29 | — | |
| Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | (No Changes) | — | 7250438 | 62.29 |
| At the end of the year | | | 7250438 | 62.29 |

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

| S.No | NAME OF THE SHAREHOLDERS | PARTICULARS | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|------------------------------|-----------------------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | VANDANA SEHGAL | At the beginning of the year | 184257 | 1.58 | | |
| | | Changes during the year | Buy 56522 shares on 9.1.15 | | 240779 | 2.06 |
| | | At the end of the year | | | 240779 | 2.06 |
| 2 | JYOTI PANDHI | At the beginning of the year | 117742 | 1.01 | | |
| | | Changes during the year | (No changes) | | 117742 | 1.01 |
| | | At the end of the year | | | 117742 | 1.01 |
| 3 | MASTER CAPITAL SERVICES LTD | At the beginning of the year | 111626 | 0.95 | | |
| | | Changes during the year | Sold 200 shares on 18.4.14 | | 111426 | 0.95 |
| | | Sold 301 shares on 25.4.14 | | 111125 | 0.95 | |
| | | Buy 100 shares on 2.5.14 | | 111225 | 0.95 | |
| | | Buy 700 shares on 23.5.14 | | 111925 | 0.96 | |
| | | Sold 200 shares on 30.5.14 | | 111725 | 0.96 | |
| | | Buy 1000 shares on 6.6.14 | | 112725 | 0.96 | |
| | | Sold 1500 shares on 13.6.14 | | 111225 | 0.95 | |
| | | Sold 58672 shares on 25.7.14 | | 52553 | 0.45 | |
| | | Sold 21493 shares on 1.8.14 | | 31060 | 0.26 | |
| | | Buy 300 shares on 8.8.14 | | 31360 | 0.26 | |
| | | Sell 300 shares on 15.8.14 | | 31060 | 0.26 | |
| | | Sold 393 shares on 30.9.14 | | 30667 | 0.26 | |
| | | Sold 107 shares on 3.10.14 | | 30560 | 0.26 | |
| | | Sold 500 shares on 7.11.14 | | 30060 | 0.25 | |
| | | Buy 624 shares on 14.11.14 | | 30684 | 0.26 | |
| | | Buy 684 shares on 21.11.14 | | 31368 | 0.26 | |
| Buy 1 share on 28.11.14 | | 31369 | 0.26 | | | |
| Sold 1308 shares on 12.12.14 | | 30061 | 0.25 | | | |
| Buy 250 shares on 19.12.14 | | 30311 | 0.25 | | | |

ANNEXURE- IV (Contd...)

| S.No | NAME OF THE SHAREHOLDERS | PARTICULARS | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|------|-------------------------------|------------------------------|---|----------------------------------|---|----------------------------------|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | | | Sold 2250 shares on 31.12.14 | | 28061 | 0.24 |
| | | | Sold 233 shares on 9.1.15 | | 27828 | 0.24 |
| | | | Buy 151 shares on 16.1.15 | | 27979 | 0.24 |
| | | | Sold 151 shares on 23.1.15 | | 27828 | 0.24 |
| | | | Sold 450 shares on 13.3.15 | | 27378 | 0.23 |
| | | | Sold 200 shares on 20.3.15 | | 27178 | 0.23 |
| | | | Sold 14 shares on 27.3.15 | | 27164 | 0.23 |
| | | At the end of the year | | | 27164 | 0.23 |
| 4 | MUKESH SEHGAL | At the beginning of the year | 33416 | 0.28 | | |
| | | Changes during the year | Sold 25817 shares on 27.6.14 | | 7599 | 0.065 |
| | | | Buy 25817 shares on 30.6.14 | | 33416 | 0.28 |
| | | | Sold 25817 shares on 31.7.14 | | 7599 | 0.065 |
| | | | Buy 25817 shares on 1.8.14 | | 33416 | 0.28 |
| | | At the end of the year | | | 33416 | 0.28 |
| 5 | THE ORIENTAL INSURANCE CO.LTD | At the beginning of the year | 54657 | 0.47 | | |
| | | Changes during the year | (No changes) | | 54657 | 0.47 |
| | | At the end of the year | | | 54657 | 0.47 |
| 6 | POLISETTY GNANA DEV | At the beginning of the year | 41506 | 0.36 | | |
| | | Changes during the year | (No changes) | | 41506 | 0.36 |
| | | At the end of the year | | | 41506 | 0.36 |
| 7 | JITENDRA SAMPATLAL SANGHAVI | At the beginning of the year | 40099 | 0.34 | | |
| | | Changes during the year | (No changes) | | 40099 | 0.34 |
| | | At the end of the year | | | 40099 | 0.34 |
| 8 | SABITA PRASAD | At the beginning of the year | 36968 | 0.31 | | |
| | | Changes during the year | (No changes) | | 36968 | 0.31 |
| | | At the end of the year | | | 36968 | 0.31 |
| 9 | CHAGANLAL PRABHULAL VIDJA | At the beginning of the year | 36690 | 0.31 | | |
| | | Changes during the year | Sold 10000 shares on 6.6.14 | | 26690 | |
| | | | Sold 3000 shares on 12.9.14 | | 23690 | |
| | | | Sold 5000 shares on 19.9.14 | | 18690 | |
| | | | Buy 2639 shares on 28.11.14 | | 21329 | |
| | | At the end of the year | | | 21329 | 0.18 |
| 10 | ALOK NAGORY | At the beginning of the year | 33530 | 0.28 | | |
| | | Changes during the year | (No changes) | | 33530 | 0.28 |
| | | At the end of the year | | | 33530 | 0.28 |

ANNEXURE- IV (Contd...)

v) Shareholding of Directors and Key Managerial Personnel:

| S.No | NAME OF THE KMP/ DIRECTORS | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative share holding during the year | |
|------|--------------------------------|---|--|-------------------------------------|---|-------------------------------------|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | B.K PATODIA | At the beginning of the year Changes during the year At the end of the year | 1195580 — — | 10.27 — — | 1195580 1195580 | 10.27 10.27 |
| 2 | ARUN KAMLAKAR WARERKAR | At the beginning of the year Changes during the year At the end of the year | 170 — — | — — — | 170 170 | 0.00 0.00 |
| 3 | E.K BALAKRISHNAN | At the beginning of the year Changes during the year At the end of the year | 160 — — | — — — | 160 160 | 0.00 0.00 |
| 4 | BANWARL LAL SINGHAL | At the beginning of the year Changes during the year At the end of the year | 12130 — — | 0.10 — — | 12130 12130 | 0.10 0.10 |
| 5 | PREM SARDARI LAL MALIK | At the beginning of the year Changes during the year At the end of the year | — — — | — — — | — — | 0.00 |
| 6 | PAMELA ANNA MATHEW | At the beginning of the year Changes during the year At the end of the year | — — — | — — — | — — | 0.00 |
| 7 | MAHESH CHANDULAL THAKKER | At the beginning of the year Changes during the year At the end of the year | 9475 — — | 0.08 — — | 9475 9475 | 0.08 0.08 |
| 8 | SUNDARESHAN S THANUNATHAN | At the beginning of the year Changes during the year At the end of the year | — — — | — — — | — — | 0.00 |

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amt in Rs.)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|------------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 365,151,626 | 15,000,000 | 1,774,348 | 381,925,974 |
| ii) Interest due but not paid | — | — | — | — |
| iii) Interest accrued but not due | 13,78,202 | 121644 | 20,815 | 1,520,661 |
| Total (i+ ii+ iii) | 366,529,828 | 15,121,644 | 1,795,163 | 383,446,635 |
| Change in Indebtedness during the financial year | | | | |
| (a) Addition | 31,750,000 | 95,000,000 | — | 126,750,000 |
| (b) Reduction | 90,253,437 | 55,121,644 | 1,795,163 | 147,170,244 |
| Net Change | 308,026,391 | 55,000,000 | — | 363,026,391 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 308,026,391 | 55,000,000 | — | 363,026,391 |
| ii) Interest due but not paid | 3379270 | — | — | 3,379,270 |
| iii) Interest accrued but not due | — | 1,424,111 | — | 1424111 |
| Total (i+ ii+ iii) | 311,405,661 | 56,424,111 | — | 367,829,772 |

ANNEXURE- IV (Contd...)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amt in Rs.)

| S.No | Particulars of Remuneration | B.K PATODIA (CHAIRMAN CUM MANAGING DIRECTOR) | | | | Total Amount |
|------|---|---|---|---|---|-----------------|
| | | | | | | |
| 1 | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3540000 | — | — | — | 3540000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 446700 | — | — | — | 446700 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | — | — | — | — | — |
| 2 | Stock Option | — | — | — | — | — |
| 3 | Sweat Equity | — | — | — | — | — |
| 4 | Commission - as % of profit - others, specify... | — | — | — | — | — |
| 5 | Others, please specify | — | — | — | — | — |
| | Total (A) | 3986700 | — | — | — | 3986700 |
| | Ceiling as per the Act | 4200000 | — | — | — | 4200000 |

B. Remuneration to other directors

(Amount in Rs.)

| S.No | Particulars of Remuneration | Name of Directors | | | | | TOTAL Amount |
|------|--|--------------------------|----------------|------------|----------------|----------------|-----------------|
| | | | | | | | |
| 1 | Independent Directors | N.K.Bafna | R. Rajagopalan | Prem Malik | S. Sundareshan | B.L Singhal | |
| | Fee for attending board committee meetings | 45000 | 45000 | 87500 | 42500 | 87500 | |
| | Commission | — | — | — | — | — | — |
| | Others, please specify | — | — | — | — | — | — |
| | Total (1) | 45000 | 45000 | 87500 | 42500 | 87500 | 307500 |
| 2 | Other Non-Executive Directors | Pamela Anna Mathew | M.C. Thakker | — | — | — | |
| | Fee for attending board committee meetings | — | 22500 | — | — | — | |
| | Commission | — | — | — | — | — | |
| | Others, please specify | — | — | — | — | — | |
| | Total (2) | — | 22500 | — | — | — | 22500 |
| | Total (B) = (1 + 2) | — | — | — | — | — | 330000 |
| | Total Managerial Remuneration | — | — | — | — | — | 330000 |
| | Overall Ceiling as per the Act | | | | | | |

ANNEXURE- IV (Contd...)

C. Remuneration To Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs.)

| S.No | Particulars of Remuneration | Key Managerial Personnel | | Total |
|------|---|---------------------------|-----------------------|---------|
| | | E.K. Balakrishnan (CS) | A.K. Warekar (CFO) | |
| 1 | Gross salary | — | — | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1273440 | 1033200 | 2306640 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 171357 | 233830 | 405187 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | — | 361620 | 361620 |
| 2 | Stock Option | — | — | — |
| 3 | Sweat Equity | — | — | — |
| 4 | Commission | — | — | — |
| | - as % of profit | — | — | — |
| | others, specify... | — | — | — |
| 5 | Others, please specify | — | — | — |
| | Total | 1444797 | 1628650 | 3073447 |

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 | | | NONE | | |
| Punishment | | | NONE | | |
| Compounding | | | NONE | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | NONE | | |
| Compounding | | | NONE | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NONE | | |
| Punishment | | | NONE | | |
| Compounding | | | NONE | | |

For and on behalf of the Board
B.K. PATODIA
Chairman

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 the Clause 49 of the Listing Agreement with the Stock Exchanges. 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 31.3.2015 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. N.K. Bafna (up to 31.7.2014) |
| | Shri. R.Rajagopalan (up to 31.7.2014) |
| | Shri. S.Sundareshan (w e f 19.09.2014) |
| | Mrs. Pamela Anna Mathew (Additional Director w.e.f 17.03.2015) |

Attendance of Directors at Board Meetings, last Annual General Meeting and Number of Other Directorships and Chairmanships / Memberships of Committees of each Directors 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 | 5 | Yes | 8 | 1 | None | None |
| Shri.B L Singhal | 00006433 | 9,680 | 5 | No | 6 | 5 | 3 | |
| Shri. Prem Malik | 00023051 | NIL | 5 | No | 13 | 6 | 1 | |
| Shri. S. Sundareshan (w.e.f 19.9.2014) | 01675195 | NIL | 3 | No | 5 | 2 | None | |
| Shri. N. K. Bafna (up to 31.7.2014) | 00019372 | NIL | 2 | No | 2 | 4 | 1 | |
| Shri. R. Rajagopalan (up to 31.7.2014) | 00003642 | NIL | 2 | No | 2 | 3 | 2 | |
| Shri Mahesh C Thakker | 01386254 | 9,475 | 2 | No | 1 | None | None | |
| Mrs.Pamela Anna Mathew (w.e.f. 17.3.2015) | 00742735 | NIL | NIL | No | 5 | None | None | |

Notes:

- i) In accordance with Clause 49 of the Listing Agreement, 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 of more than 10 committees and Chairman of more than 5 Committees across all the Companies in which he is a Director as per Clause 49 of the Listing Agreement.

REPORT ON CORPORATE GOVERNANCE (Contd...)

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

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

The details of the Board Meetings are as under:-

| Sl. No. | Date | Board Strength | No. of Directors present |
|---------|-------------------|----------------|--------------------------|
| 1) | 15th May 2014 | 6 | 5 |
| 2) | 30th July 2014 | 6 | 5 |
| 3) | 31st October 2014 | 5 | 5 |
| 4) | 31st January 2015 | 5 | 4 |
| 5) | 17th March 2015 | 6 | 5 |

- **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 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 Clause 49 of the Listing Agreement with Stock Exchange regarding independence.

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

- **Independent Directors Meeting**

A separate meeting of Independent Directors was held on 31.1.2015 without the attendance of Non- Independence Directors and members of the management

3) Audit Committee

Audit Committee comprises of Three Independent Directors and one Non-Independent director namely; Shri.B L Singhal, Chairman, Shri Prem Malik, Shri.S.Sundareshan, and 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 Clause 49 of the Listing Agreement.

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.

The terms of reference of Audit Committee are broadly as follows;

- Oversight of the company's financial reporting process and the disclosure of its financial information
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company
- Approval of payment to statutory auditors for any other services rendered by them
- Reviewing with the management, the annual financial statements and auditor's report thereon
- Matters required to be included in the directors responsibility statement to be included in the Board's report
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statement arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Approval of the related party transactions as per policy of the company
- Review and monitor the auditors independence and performance and effectiveness of audit process
- Scrutiny of inter corporate loans and investments
- Evolution 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 functions, if any, including frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up thereon
- Reviewing the findings of any internal observations by the internal auditors into matters where there is irregularity or a failure of internal control system 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 review the functioning of the vigil mechanism
- Management discussion and analysis of financial condition and results of operations.

REPORT ON CORPORATE GOVERNANCE (Contd...)

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(w.e.f 19.9.2014) | 2 |
| 4) | Shri.N.K Bafna | Independent Director(upto 31.07.2014) | 2 |
| 5) | Shri.R Rajagopalan | Independent Director(upto 31.07.2014) | 2 |
| 6) | Shri. B.K Patodia | Managing Director (w.e.f. 31.10.2014) | 2 |

The details of the meetings are as under:-

| Sl. No. | Date | Committee Strength | No. of Directors present |
|---------|-------------------|--------------------|--------------------------|
| 1) | 15th May 2014 | 4 | 4 |
| 2) | 30th July 2014 | 4 | 4 |
| 3) | 31st October 2014 | 4 | 4 |
| 4) | 31st January 2015 | 4 | 4 |

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

i) 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.

ii) 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 upto date. Shri.E K Balakrishnan, Vice President (Corporate Affairs) and Company Secretary is the Compliance Officer of the Company.

iii) 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 website of the Company www.gnttextiles.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 had met on 27.5.2015 and approved remuneration package of Shri. B.K. Patodia Managing Director for a period of 3 years from 1st June 2015 up to 31st May, 2018 in accordance with section 197 and 198 read with Schedule V of the Companies Act, 2013 (the Act). The same was also approved by the Board. The remuneration structure approved by the Nomination & Remuneration Committee as well as the Board of Directors is as follows:

a) Salary:

Rs.3,00,000/- per month in the Scale Rs. 3,00,000 – Rs 10,000 – Rs. 3,20,000 effective from 1st June, 2015 for a period of three years up to 31st May, 2018.

b) Commission:

Subject to the overall limits laid down in Sections 197 of the Companies Act, 2013 such percentage of the Net Profit of the Company or such quantum as may be fixed by the Board of Directors for each financial year not exceeding 2% of the Net Profits of the Company, each year, restricted to an overall limit of Rs.42 lacs per annum.

REPORT ON CORPORATE GOVERNANCE (Contd...)

c) Perquisites as follows:

- (i) Housing: Rent free accommodation will be provided to the appointee for which actual amount of lease rental paid or payable by the Company or 10% of the salary, whichever is lower, shall be recovered. In case no accommodation is provided by the Company, House Rent Allowance, subject to a ceiling of 60% of the appointees salary shall be paid. In addition, the appointee shall be allowed Company owned furniture and fixtures, if required.
- (ii) The expenditure incurred by the appointee on gas, electricity and water shall be reimbursed by the Company.
- (iii) All Medical Expenses incurred by the appointee for self and his family shall be reimbursed.
- (iv) Leave Travel Concession for the appointee and his family will be allowed once in a year as per the Rules of the Company.
- (v) Fees of Clubs: Subject to a maximum of 2 Clubs. This will not include admission and life membership fees.
- (vi) Personal Accident Insurance: As per Rules of the Company.
- (vii) Provision of Car with driver and telephone at the residence for use of Company's business.

Perquisites not included in Managerial Remuneration

- a. contribution to Provident Fund, Superannuation or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961
- b. gratuity payable at a rate not exceeding half a months salary for each completed year of service; and
- c. encashment of leave at the end of the tenure.

d) Overall Remuneration:

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 197 and other applicable provisions of the Act read with Schedule V to the said Act, as may for the time being in force.

e) Minimum Remuneration:

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under the Section II of Part II of Schedule V to the Act.

• Remuneration to the Managing Director

The aggregate of salary and perquisites paid for the year ended 31st March, 2015 to the Managing Director is as follows:-

Shri.B K Patodia : Rs.39.86 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, 2015 to the Non Executive Directors is as follows:

| Name of the Non-Executive Director | Sitting fee (Rs.) |
|---------------------------------------|-------------------|
| Shri.B L Singhal | 87500 |
| Shri.Prem Malik | 87500 |
| Shri.S.Sundareshan (w.e.f 19.09.2014) | 42500 |
| Shri N.K Bafna (up to 31.07.2014) | 45000 |
| Shri.R Rajagopalan (up to 31.07.2014) | 45000 |
| Shri Mahesh C Thakker | 15000 |
| Total | 322500 |

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.

REPORT ON CORPORATE GOVERNANCE (Contd...)

- **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 B.L Singhal as Chairman, Shri Prem Malik, Shri. S.Sundareshan 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) | 15th May 2014 | 4 | 4 |
| 2) | 30th July 2014 | 4 | 4 |
| 3) | 31st October 2014 | 4 | 4 |
| 4) | 31st January 2015 | 4 | 4 |

Shri. E K Balakrishnan, Vice President (Corporate Affairs) and Company Secretary officiates as the Secretary of the Committee and is also designated as the Compliance Officer in terms of the Listing Agreement with the Stock Exchanges.

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

The total number of Complaints received and resolved to the satisfaction of investors during the year ended 31.3.2015 is as under:-

| Type of complaints | Number of complaints |
|--|----------------------|
| Non-receipt of Annual Reports | 1 |
| Non-receipt of Dividend Warrants | 1 |
| Non-receipt of Share Certificates | 2 |
| Complaints in respect of Electronic Transfers | — |
| Complaints / queries received from Regulatory Agencies | 1 |
| Total: | 5 |

There were no outstanding complaints as on 31st March, 2015.

Pursuant to clause 47 (c) of the listing agreement, 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**

- the statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- There are no related party transactions that may have potential conflict with the interest of the company at large.
- 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
- The company has obtained Shareholders approval by way of special resolution to enter into related party transactions
- 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.

REPORT ON CORPORATE GOVERNANCE (Contd...)

- **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 Listing Agreement. A text of the 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**

- The quarterly results approved by the Audit Committee / Board of Directors are put on the Company's website www.gtn textiles.com under "investor info" section
- 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**

- 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].
- 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 Web site of the Company, www.gtn textiles.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 Clause 41 and 49 (IX) of the Listing Agreement.

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 Clause 49 of the Listing Agreement, 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 | Special Resolution passed in previous AGM |
|---------|---|------------|--------|-----------|---|
| 2011-12 | 'Oceanic Hall' Hotel Periyar, Aluva – 683 101 | 13.08.2012 | Friday | 12.15 p.m | No |
| 2012-13 | -do- | 30.07.2013 | Monday | 12.15 p.m | No |
| 2013-14 | -do- | 19-09-2014 | Friday | 12:15 p.m | Yes |

B. Special Resolutions passed in previous AGM

- Appointment of Shri B.L Singhal, Shri. Prem Malik and Shri. S.Sundareshan as Independent Directors for a period of 5 years pursuant to Section 149 of the Companies Act, 2013
- Approval of Related party transaction pursuant to Section 188 of the Companies Act, 2013.
- Approval for increasing borrowing powers pursuant to Section 180(1)(c) of the Companies Act, 2013

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

REPORT ON CORPORATE GOVERNANCE (Contd...)

11) Compliance in respect of Adoption of non mandatory requirements

a) Shareholder Rights

The Company's quarterly and half yearly results are published in the Newspaper and also uploaded on its website www.gntextiles.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.

b) Audit Qualifications

There are no qualifications in the Auditors Report on the accounts for the year 2014-15.

c) Reporting of internal Auditor

The Internal Auditor directly report to the Audit Committee

12) General Shareholder information:

I) Annual General Meeting:

| | | | |
|----|--|---|--|
| a) | Date and Time | : | 7th August,2015 |
| b) | Venue | : | 'Puzhayoram Hall', Hotel Periyar, Aluva - 683 101. |
| c) | Book closure date | : | Saturday, 1 st August, 2015 to Friday, 7th August, 2015 (both days inclusive) |
| d) | Financial calendar (tentative): | | |
| | Annual General Meeting | : | 7th August,2015 |
| | Results for quarter ending 30th June, 2015 | : | 6th August, 2015 |
| | Results for quarter ending 30th Sept.,2015 | : | On or before 14th November, 2015 |
| | Results for quarter ending 31st Dec., 2015 | : | On or before 14th February, 2016 |
| | Results for Year ending 31st March, 2016 | : | On or before 30th May, 2016. |

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 2015-16 have been duly paid to the said Stock Exchanges. |
| i) | Stock Code: Scrip Code No. : Bombay Stock Exchange | : | 532744 |
| ii) | Trading symbol : National Stock Exchange | : | GTNTEX |
| ii) | Demat ISIN Nos. in NSDL and CDSL for Equity Shares | : | INE302H01017 |

III) Stock market data :

(in Rs. per Share)

| Month | BSE | | NSE | |
|--------------|-------|------|-------|-------|
| | High | Low | High | Low |
| April 2014 | 6.49 | 5.30 | 6.55 | 5.55 |
| May | 9.08 | 5.40 | 8.55 | 5.60 |
| June | 9.80 | 8.15 | 9.95 | 8.20 |
| July | 10.55 | 8.72 | 10.20 | 8.75 |
| August | 8.90 | 7.10 | 9.35 | 7.00 |
| September | 13.66 | 7.50 | 13.70 | 7.85 |
| October | 11.40 | 9.00 | 11.70 | 9.10 |
| November | 10.60 | 8.66 | 10.90 | 8.50 |
| December | 11.45 | 8.72 | 11.60 | 9.00 |
| January 2015 | 12.25 | 8.80 | 11.95 | 10.00 |
| February | 11.40 | 8.75 | 11.00 | 8.45 |
| March | 11.34 | 8.00 | 11.00 | 8.05 |

REPORT ON CORPORATE GOVERNANCE (Contd...)

| | | | |
|-----|--|---|--|
| IV) | Registrar and Transfer Agents (Share Transfer and communication regarding Share Certificates, Dividends and change of Address) | : | 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 : corpseiv@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 Clause 47(C) of the Listing Agreement with Stock Exchanges 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. |

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

(a) Shareholding pattern as on 31st March, 2015:

| S.No. | Category | No of Shares | % of Shareholding |
|-------|--|--------------|-------------------|
| 01 | Promoters & Associates (Patodia Family) | 7250438 | 62.29 |
| 02 | Indian Financial Institutions, Banks, Mutual Funds | 89105 | 0.76 |
| 03 | Foreign Institutional Investors/NRIs | 9633 | 0.08 |
| 04 | Others | 4291302 | 36.87 |
| | Total:- | 11640478 | 100.00 |

(b) Distribution of Shareholding as on 31st March, 2015:

| S.No. | No. of shares held | No. of share-holders | % of shareholder | No. of shares (Issued Equity) | % of shareholding |
|-------|--------------------|----------------------|------------------|-------------------------------|-------------------|
| 1 | Upto 100 | 21002 | 87.12 | 652091 | 5.60 |
| 2 | 101-500 | 2057 | 8.53 | 579681 | 4.98 |
| 3 | 501-1000 | 530 | 2.20 | 449626 | 3.86 |
| 4 | 1001-10000 | 455 | 1.89 | 1347663 | 11.58 |
| 5 | 10001-100000 | 48 | 0.20 | 1198176 | 10.29 |
| 6 | Above 100000 | 14 | 0.06 | 7413241 | 63.69 |
| | Total : | 24106 | 100.00 | 11640478 | 100.00 |

VII) Dematerialisation 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 scripless trading. As on 15th May 2015, 95.53% 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 |
|-------|-----------------|--|

REPORT ON CORPORATE GOVERNANCE (Contd...)

IX) Address for correspondence:-

| | | | |
|------|---|----|---|
| i) | Investor Correspondence:- | | |
| | For transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company | 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 |
| | | b) | For share held on Demat form:- To the Depository Participants. |
| (ii) | Any query on Annual Report | | Secretarial Department GTN TEXTILES LIMITED 5th Floor, Palal Towers, M G Road, Ravipuram, Ernakulam, Kochi – 682 016 E-Mail: cs@gtntextiles.com |

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

"This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the company www.gtntextiles.com

Further certified that the member of the Board of Directors and senior management personnel have affirmed having complied with the code applicable to them during the year ended 31st March, 2015"

For **GTN TEXTILES LIMITED**

B.K PATODIA

Chairman & Managing Director
DIN No: 00003516

Place : Kochi,
Date : 27th May, 2015

The above report was adopted by the Board of Directors at their meeting held on 27.05.2015.

COMPLIANCE CERTIFICATE

To the Members of **GTN TEXTILES LIMITED**

- (i) We have examined the compliance of conditions of Corporate Governance by GTN TEXTILES LIMITED (The Company) for the year ended March 31, 2015 as stipulated in clause 49 of the Listing agreement(s) of the said Company with the stock exchange(s).
- (ii) The compliance of conditions on Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- (iii) In our opinion and to the best of our information and according to the explanations given to us read along with paragraph 2 of the Report on Corporate Governance, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).
- (iv) 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 FIRM NO. 001209S)

R. MUGUNTHAN
PARTNER
M NO.21397

Place : Kochi
Date : 27th May,2015

GTN TEXTILES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL TEXTILE INDUSTRY

The global textile and apparel trade stood at US\$ 781 billion in 2013 and is expected to grow at ~6% CAGR to US\$ 1,180 billion by 2020 with apparel occupying the major share followed by fabric and yarn. The industry directly employs well over 170 million people worldwide, predominantly in Asia.

In 2014, the global fiber consumption was around 87 million tons, of which manmade fibers constituted around 62 million tons. Polyester constitutes around 54% share while cotton has around 28% share of total fiber consumption. All other fibers, although very important in the total mix in terms of functionality and performance, are insignificant in volume terms.

China occupied the majority share of 52% of total global fiber consumption in 2014, followed by India and other South Asian countries accounting for around 11% share each. The textile production is strongly centered in Asia and South Asian countries contribute a significant part of it. The growth in global trade and concentration of trade in Asia will drive investments in Asian countries having strong supply base for textile and apparel products. India will have an advantage from the investment point of view due to its strong manufacturing competitiveness and presence of complete supply chain.

INDIAN TEXTILE INDUSTRY

Textiles and clothing industry plays a pivotal role in the Indian economy due to its important contribution in country's exports as well as in employment generation. This industry employs around 45 million people, has 12% share of country's total exports and 14% share of industrial production. India's exports of textiles and clothing are estimated to be USD 89 billion by the end of 2020.

Exports from the textile and clothing industry mainly consists of garment sector which accounts for around 40%, and spinning sector around 25%, remaining being shared by other sectors like man made textiles, cotton, wool and woolen textiles, silk handloom products, handicrafts and coir products. After discontinuation of textiles export quota in year 2004, exports from this industry substantially increased from around USD 15 billion in 2005 to USD 40 billion in 2013-14. Similarly, India's share of textiles and clothing exports in the total world exports, which was below 3% in the year 2004 is almost touching 5% as of now.

Your company operates in the spinning sector. A major chunk of spinning capacity expansion took place under the TUF Scheme which was launched by the Government from 1st April, 1999. The Scheme carried an interest subsidy of 5% on term loans repayable over 10 years. Over the period though the Scheme has been modified to reduce interest subsidy to 2% with 7 years repayment period, it is commendable that the Government decided to continue the TUF Scheme during the 12th Plan period of 2012-17. It is pertinent to note that expansion of spinning capacity has been significant both in organised as well as small spinning sector.

The table below shows year-wise increase in spinning capacity, cotton yarn production and exports from 2010 to 2014.

| Year | Spinning Capacity (Spindles-Million) | Production (Kg.-Million) | Exports (Kg-million) | Exports (\$-Million) |
|---------|--------------------------------------|--------------------------|----------------------|----------------------|
| 2009-10 | 42.04 | 3079 | 587 | 1615 |
| 2010-11 | 47.57 | 3490 | 694 | 2696 |
| 2011-12 | 48.25 | 3126 | 749 | 2990 |
| 2012-13 | 49.17 | 3583 | 1108 | 3535 |
| 2013-14 | 49.64 | 3942 | 1310 | 4555 |
| 2014-15 | 50.14 | 4057 | 1253 | 3938 |

RAW COTTON SCENARIO

- **Domestic Cotton Scenario**

The viability of spinning industry solely depends on adequate availability of quality cotton at competitive prices. Over the years cotton production in India has grown significantly and its cotton production is likely to exceed that of China which has been world's biggest producer of cotton so far. This could be achieved due to various steps taken to improve farm management practices, adoption of BT cotton seeds which covers 95% of the areas sown and use of appropriate technology to give higher yield. Within last 15 years, the cotton production in India has almost trebled while the area under cultivation has increased only by 40% due to increase in the yield from 278 kg/hectare to 518 kg/hectare during this period.

- **Global Cotton Production**

During current year, while the world cotton production is expected to be at 26.2 million tons, India is likely to be largest producer at 6.8 million tons with 26% share, followed by China at 6.5 million tons and US at 3.6 million tons. Similarly, the world cotton consumption is estimated at 24.3 million tons, with China having the highest share with 7.7 million tons followed by India at 5.3 million tons.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd...)

• Specialized Cotton

After three years of decline in production of organic cotton, there has been worldwide increase in the production from 2012-13 onwards due to market demand. India produces more than 70% of the world's organic cotton, besides Turkey, Peru, China and Bangladesh. India has a lot of potential to produce various varieties of organic cotton due to different climatic regions and its tradition of organic farming. The government has already implemented a national programme for organic farming for various products which will help to tap the export market as well.

A sustainable environmental friendly approach of Better Cotton Initiative (BCI) is growing rapidly. BCI brings together Farmers, Ginners, Traders, Spinners, Garmenters, Retailers and Brands in a unique global community committed to develop better cotton as a sustainable main stream commodity. Today almost 1.3 million Farmers from 20 countries are participating in BCI programs, including India.

• Prospects of Cotton Crop in the Coming Season

The area under cotton in the coming cotton season is likely to drop by 7 – 10% due to violent fluctuations in the prices of cotton. However, if Monsoon is favourable and adequate rainfall is received at proper time, the crop is likely to be same as the previous year. As of now, the cotton has already been sown in the northern region and in other parts of the country and sowing will begin next month. As already explained, with adoption of better technology, availability of good quality seeds, the country will continue to produce adequate crop.

BUSINESS OVERVIEW & INDUSTRY DEVELOPMENTS

The Company is engaged in business of manufacture and export of high quality combed cotton yarns. The yarn is manufactured from the world's best sources of long and extra long staple cotton like American Supima, Egyptian Giza, contamination free Australian and American cottons and superior Indian cotton like Shankar-6 and DCH-32. The company manufactures yarns of various counts ranging from NE 26s to NE 180s. Permutations and combinations in spinning and finishing process results in yarns of varied qualities for specific end users. The company was amongst the first in India to manufacture compact yarn using the breakthrough technology of compact spinning, and also uses state-of-art machineries across its plants. Presently, the company has a capacity of 58,864 spindles at Aluva, Kerala, consisting of 34,896 compact spinning and 23,968 ring spinning. The company has promoted Patspin India Limited which has 2 plants at Palakkad in Kerala and Ponneri in Tamil Nadu having a capacity of 113,856 spindles, consisting of 79,025 Compact Spinning and 34,831 Ring Spinning.

As regards developments in the industry and your company's performance for the year under review in relation to those developments, the same has been explained in greater details in Directors Report under Performance Review.

OUTLOOK, OPPORTUNITIES AND THREATS

- (a) Global exports of textiles and clothing in 2013 were 781 billion USD, as per WTO figures. China's share in the global trade in textiles / clothing was 35 per cent and that of India a barely 4 per cent. With the rising costs in China and its deliberate shift in favour of innovation driven industries, India has tremendous scope for boosting its share. Further, by 2020, world exports of textiles / clothing are projected to increase to 1,180 billion USD. The expectation is that India's exports would rise from 30 billion USD to 89 billion USD by 2020.
- (b) In the cotton season 2014-15, there were frequent fluctuations in the raw cotton prices as already explained above. In spite of these factors, the crop size is likely to be around 37.5 million bales and the prospects for 2015-16, the crop size is likely to be similar. With this, the availability of the raw cotton is expected to be adequate and there is hope that the prices will stabilize at reasonable levels.
- (c) In the new Foreign Trade Policy 2015-20, while the government has introduced measures for improving ease of doing business and simplified procedures but some of the benefits available to the cotton yarn exports have been withdrawn, like Market Linked Focus Products and Focus Market Schemes. Industry bodies like CITI and TEXPROCIL have taken up these issues with the concerned ministries for restoration of these benefits.
- (d) On the domestic front also India is poised for a healthy growth, in view of rising population, sustained increase in per capita income and disposable surplus, favourable demographic profile and changing lifestyle. Surveys carried out by Textiles Committee also corroborate this. Besides, Government of India is becoming increasingly sensitive to the needs of the textile industry and taking ameliorative measures in regard to debt restructuring scheme, extension of TUFs and TMC in the Twelfth Five Year Plan. Happily, new Government has announced that it will get necessary impetus for boosting exports of textiles. Another area is rapid growth of technical textiles for which Government has been providing encouraging support.

Above all, India is in a unique position of having an integrated textile set-up endowed with presence across all the textile value chain from fibres to fashion garments. All these favourable factors indicate optimistic and positive future for the healthy growth of the Indian textile industry.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd...)

RISKS AND CONCERNS

1. R1. Raw Cotton, an agricultural product, is the key raw material used for the manufacture of cotton yarn. Almost 65 percent of area under cotton cultivation is rain-fed and hence is dependent on vagaries of monsoon, which this year has shown uncertain signs so far. Adequate availability of raw cotton at right prices is crucial for the Company. Any disruption in the supply and/or violent changes in the cost structure would affect the profitability of the Company.
2. Your company follows an efficient inventory management system and a well-crafted strategy of procuring raw materials through a mix of spot and long-term contracts. The company's conscious efforts on maintaining a judicious mix of markets for its sales and thrust on speciality products like Organic, Fair Trade, Better Cotton Initiative (BCI), Supima yarns, Giza yarns have also proved to be beneficial.
3. Volatility in foreign currency exchange rates vis-a-vis Indian Rupee is another area of concern since a sizeable production of cotton yarn is exported by your Company. The Company has in place various Management Information Systems, which enable the management to take decisions on exposures relating to exports, imports, foreign currency loans, etc. The Company continues to strengthen these systems to minimize the risk involved due to adverse movement of exchange rates.
4. Your company has a system of assessing the risks on an ongoing basis. This includes an effective internal control and management reporting system. Further, the framework also captures the existing practices to manage commodity price risk, interest risk, and foreign exchange risk etc. An important aspect of this framework is to promote a balanced approach that considers risk and return.
5. Another area of concern is Government's periodical announcements for liberalized tariff concessions offered to Least Developed countries like Bangladesh, Nepal, Bhutan and other countries under SAFTA. In fact, Government of India has unilaterally extended tariff concessions to Pakistan by reducing the number of products in the Sensitive List of India for non LDCs under SAFTA. The industry has requested the Ministry of Commerce and Industry that 146 products covered in the Sensitive List may be retained and no such tariff concession be offered to non-LDCs under SAFTA. The industry has also requested that at least a nominal import tariff of 5 per cent may be retained for all products that may be removed from the Sensitive List and specific duty rates, where applicable, may be retained.

Bilateral discussions for the Free Trade Agreement with European Union are progressing well and on conclusion of the Agreement India will have a level playing field to compete with our competitors, especially Pakistan.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate internal control system to ensue that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorized, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Please refer to Directors' Report on performance review.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people. The Company has been adopting methods and practices for Human Resources Development. With utmost respect to human values, the Company continues to develop its human resources, through a variety of services by providing appropriate training, motivation techniques and employee welfare activities.

Industrial Relations were cordial and satisfactory.

As on 31st March, 2015, the Company has about 927 employees in its various offices and factory.

CAUTIONARY STATEMENT

Statements made in this report describing the Company's projections, estimates, expectations or predictions may be 'forward looking predictions' within the meaning of applicable securities laws and regulations. Actual result may differ from such estimates, projections, etc. whether expressed or implied. Factors which would make a significant difference to the Company's operations include availability of quality raw cotton, market prices in the domestic and overseas markets, changes in Government regulations and tax laws, economic conditions affecting demand / supplies and other environmental factors over which the Company does not have any control.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GTN TEXTILES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statement of **GTN Textiles Limited** ('the Company') which comprises the Balance sheet as at **31st March, 2015**, the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of the significant accounting policy and other explanatory information.

Management's Responsibility for the 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 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 the 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 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 financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by companies 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

Independent Auditor's Report (Contd.)

- (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, 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 Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements,
 - ii. In our opinion and as per the information and explanations provides to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
 - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR M.S.JAGANNATHAN & VISVANATHAN
CHARTERED ACCOUNTANTS
ICAI FRN 001209S

Place : Kochi
Date : 27/05/2015

R.MUGUNTHAN
MEMBERSHIP NO.21397
PARTNER

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date to the members of GTN Textiles Limited for the year ended 31st March 2015. We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- b) As explained to us, the fixed assets are physically verified in a phased periodical manner, which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets and no material discrepancies were noted on such verification;
- ii) a) The Inventory has been Physically verified during the year by the Management.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification as compared to the book records.
- iii) As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the sub-clauses (a) and (b) are not applicable to the company.

Annexure to the Auditor's Report (Contd.)

- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v) According to the information and explanations given to us, the Company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant sub-section (1) of Section 148 of the Companies Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) The company is regular in depositing undisputed statutory dues including 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 with the appropriate authorities and we have been informed that there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, no undisputed amount is payable in respect of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2015.
c) In our opinion and according to the information and explanations given to us, amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund within time.
- viii) The Company has accumulated losses of Rs.528.23 lakhs as at 31st March 2015. The Company has not incurred any cash loss during the financial year covered by our audit and during immediately preceding financial year.
- ix) Based on our audit procedures and according to the information, the company has not defaulted in repayment of dues to Bank(s) or Financial Institution(s). However there is delay in few days for repayment of dues.
- x) During the year, the Company has not given guarantees for loans taken by others from bank(s) or financial institution(s)
- xi) In our opinion and according to the information and explanations given to us, the Term Loans have been applied for the purpose for which they are raised.
- xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

FOR M.S.JAGANNATHAN & VISVANATHAN
CHARTERED ACCOUNTANTS
ICAI FRN 001209S

Place : Kochi
Date : 27/05/2015

R.MUGUNTHAN
MEMBERSHIP NO.21397
PARTNER

GTN TEXTILES LIMITED

BALANCE SHEET

| | Note | As at 31.03.2015 (Rs in lacs) | As at 31.03.2014 (Rs in lacs) |
|------------------------------------|------|-------------------------------------|-------------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 2 | 1,164.05 | 1,164.05 |
| (b) Reserves and surplus | 3 | 1,564.13 | 1,889.38 |
| Sub-Total | | 2,728.18 | 3,053.43 |
| 2 Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 2,237.23 | 2,637.35 |
| (b) Deferred tax liabilities (Net) | 5 | 268.96 | 418.59 |
| Sub-Total | | 2,506.19 | 3,055.94 |
| 3 Current liabilities | | | |
| (a) Short-term borrowings | 6 | 3,900.72 | 3,098.07 |
| (b) Trade payables | 7 | 2,319.64 | 4,448.39 |
| (c) Other current liabilities | 8 | 1,568.51 | 1,689.23 |
| (d) Short-term provisions | 9 | 123.23 | 105.06 |
| Sub-Total | | 7,912.10 | 9,340.75 |
| TOTAL | | 13,146.47 | 15,450.12 |
| II. ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | 10 | | |
| (i) Tangible assets | | 5056.44 | 5655.36 |
| (ii) Intangible assets | | 14.08 | 14.92 |
| (iii) Capital work-in-progress | | — | — |
| (b) Non-current investments | 11 | 1984.92 | 1984.92 |
| (c) Long-term loans and advances | 12 | 192.58 | 164.30 |
| Sub-Total | | 7248.02 | 7819.50 |
| 2 Current assets | | | |
| (a) Inventories | 13 | 3612.95 | 3891.15 |
| (b) Trade receivables | 14 | 1293.00 | 2245.18 |
| (c) Cash and Bank Balances | 15 | 142.48 | 620.85 |
| (d) Short-term loans and advances | 16 | 840.56 | 850.74 |
| (e) Other current assets | 17 | 9.46 | 22.70 |
| Sub-Total | | 5898.45 | 7630.62 |
| TOTAL | | 13146.47 | 15450.12 |

Significant accounting policies

1

The accompanying Notes 1 to 40 are an integral part of the financial statements

As per our report of even date attached
For **M.S. JAGANNATHAN & VISVANATHAN**
Chartered Accountants (ICAI FRN 001209S)

For and on behalf of the Board

B. K. PATODIA
Chairman & Managing Director
DIN No. 00003516

B.L.SINGHAL
Director
DIN No. 00006433

R. MUGUNTHAN
Partner
M. No. 21397
Place : Kochi
Date : 27th May, 2015

E.K. BALAKRISHNAN
Vice President (Corporate Affairs)
& Company Secretary

A.K.WAREKAR
Vice President (Finance)
& Chief Financial Officer

GTN TEXTILES LIMITED

STATEMENT OF PROFIT AND LOSS

| | Note | Year ended 31.03.2015 (Rs.In Lacs) | Year ended 31.03.2014 (Rs.In Lacs) |
|---|------|---|--|
| REVENUE: | | | |
| Revenue From Operations | 18 | 18,597.79 | 28,611.84 |
| Other income | 19 | <u>73.25</u> | <u>61.67</u> |
| Total Revenue | | <u>18,671.04</u> | <u>28,673.51</u> |
| EXPENSES: | | | |
| Cost of materials consumed | 20 | 9,540.45 | 11,024.29 |
| Purchases of Stock-in-Trade | | 3,114.79 | 8,768.46 |
| Changes in inventories of finished goods, work in progress and waste | 21 | (758.48) | 142.90 |
| Employee benefit expenses | 22 | 2,580.34 | 2,443.15 |
| Finance costs | 23 | 1,089.40 | 1,290.24 |
| Depreciation and amortization expense | | 456.60 | 610.71 |
| Other expenses | 24 | <u>3,094.90</u> | <u>4,001.45</u> |
| Total Expenses | | <u>19,118.00</u> | <u>28,281.20</u> |
| Profit / (Loss) before exceptional and extraordinary items and tax | | (446.96) | 392.31 |
| Exceptional items | | <u>—</u> | <u>—</u> |
| Profit/(Loss) before extraordinary items and tax | | (446.96) | 392.31 |
| Extraordinary Items | | <u>—</u> | <u>—</u> |
| Profit / (Loss) before tax | | (446.96) | 392.31 |
| Tax expense: | | <u>—</u> | <u>—</u> |
| Provision for Current tax - MAT | | <u>—</u> | 78.00 |
| Less: Minimum Alternate Tax (MAT) credit entitlement | | <u>—</u> | (78.00) |
| Deferred tax charge / (Credit) | | <u>(141.00)</u> | <u>197.00</u> |
| Profit / (Loss) for the year | | <u>(305.96)</u> | <u>195.31</u> |
| EARNINGS PER EQUITY SHARE: | 25 | | |
| Basic and Diluted (in Rs.) (Face value of Rs.10 each) | | (2.63) | 1.68 |
| Significant accounting policies | 1 | | |
| The accompanying Notes 1 to 40 are an integral part of the financial statements | | | |

As per our report of even date attached
For **M.S. JAGANNATHAN & VISVANATHAN**
Chartered Accountants (ICAI FRN 001209S)

For and on behalf of the Board

B. K. PATODIA
Chairman & Managing Director
DIN No. 00003516

B.L.SINGHAL
Director
DIN No. 00006433

R. MUGUNTHAN
Partner
M. No. 21397
Place : Kochi
Date : 27th May, 2015

E.K. BALAKRISHNAN
Vice President (Corporate Affairs)
& Company Secretary

A.K.WAREKAR
Vice President (Finance)
& Chief Financial Officer

GTN TEXTILES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

| | 2014-15 (Rs in lacs) | 2013-14 (Rs in lacs) |
|--|-------------------------|-------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) before tax and extra ordinary items | (446.96) | 392.31 |
| Adjustments for: | | |
| Depreciation | 449.02 | 606.30 |
| Amortisation | 7.58 | 4.41 |
| Loss on disposal/discard of fixed assets (Net) | (18.65) | 1.32 |
| Unrealised foreign currency losses | 9.60 | 92.56 |
| Interest income | (44.01) | (48.76) |
| Interest Expenditure | 967.11 | 1,182.34 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 923.69 | 2,230.48 |
| Changes in Working Capital: | | |
| Increase / (Decrease) in trade payables | (2,138.35) | 288.88 |
| Increase / (Decrease) in provisions | 18.18 | 1.92 |
| Increase / (Decrease) in other current liabilities | (336.69) | 297.24 |
| (Increase) / Decrease in trade receivables | 952.18 | (619.99) |
| (Increase) / Decrease in inventories | 278.20 | (20.06) |
| (Increase) / Decrease in margin money and unpaid dividend | 310.32 | (33.49) |
| (Increase) / Decrease in Short Term loans and advances | 10.15 | (63.07) |
| (Increase) / Decrease in other current assets | 13.23 | (0.16) |
| CASH GENERATED FROM OPERATIONS | 30.91 | 2,081.75 |
| Taxes paid (net of refunds) | (26.69) | (66.28) |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | 4.22 | 2,015.47 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of tangible/intangible assets | (64.52) | (272.22) |
| Sale of tangible/intangible assets | 196.86 | 5.86 |
| Interest received | 44.01 | 48.76 |
| Purchase of non-current investments | — | — |
| NET CASH FROM INVESTING ACTIVITIES | 176.35 | (217.60) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest paid | (967.11) | (1,182.34) |
| Proceeds from Long Term borrowings | 317.50 | 457.50 |
| Repayment of Long Term borrowings | (888.76) | (1,285.80) |
| Net Proceeds from Short Term Borrowings | 802.65 | 100.37 |
| Proceeds/(Repayment) of Finance Lease obligation (Net) | 4.85 | 9.51 |
| Long term Deposits | 382.26 | 142.55 |
| NET CASH USED IN FINANCING ACTIVITIES | (348.61) | (1,758.21) |
| NET INCREASE IN CASH AND BANK BALANCES | (168.04) | 39.66 |
| CASH AND BANK BALANCES AT THE BEGINNING OF THE YEAR | 220.66 | 181.00 |
| CASH AND BANK BALANCES AT THE END OF THE YEAR | 52.62 | 220.66 |

Note:

- 1 The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3-Cash Flow Statement.
- 2 Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached
For **M.S. JAGANNATHAN & VISVANATHAN**
Chartered Accountants (ICAI FRN 001209S)

For and on behalf of the Board

B. K. PATODIA
Chairman & Managing Director
DIN No. 00003516

B.L.SINGHAL
Director
DIN No. 00006433

R. MUGUNTHAN
Partner
M. No. 21397
Place : Kochi
Date : 27th May, 2015

E.K. BALAKRISHNAN
Vice President (Corporate Affairs)
& Company Secretary

A.K.WAREKAR
Vice President (Finance)
& Chief Financial Officer

GTN TEXTILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

1 Summary of significant accounting policies

a. Basis of preparation

The financial statements are prepared to comply with the mandatory Accounting Standards prescribed in the Companies (Accounting Standards) Rules 2006,(as amended) issued by the National Advisory Committee on Accounting Standards and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention, on the basis of a going concern and on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12(twelve) months for the purpose of current and non current classification of assets and liabilities

b. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses of that year. Actual result could differ from these estimates. Any revision to accounting estimates is recognised prospectively.

c. Fixed Assets

(i) Tangible Assets/Intangible Assets are stated at cost net of accumulated depreciation/amortisation and impairment,if any. The Cost Comprises its purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use. Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. Also refer Policy G and H below. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss.

(ii) Impairment of Assets : The company assesses at each Balance Sheet date whether there is any indication that any asset (both tangible and intangible) may be impaired, if any such indication exists, the carrying value of such assets is reduced to recoverable amount and the impairment loss is charged to Statement of Profit and Loss. If at the Balance sheet date there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

d. Investments

Long term investments are stated at cost less provision, if any for other than temporary diminution in the value of investments.

e. Inventories

Inventories are stated at lower of cost and net realisable value. Goods in process is stated at cost. The cost includes cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost formula used are "Weighted Average Method" or "Specific Identification method" as applicable.

f. Revenue Recognition

Sales are recognised as and when risks and rewards of ownership are passed on to the buyer and ultimate realisation of price is reasonably certain.

Export Sales are inclusive of deemed exports while domestic sales are net of Value Added Tax.

g. Borrowing Cost

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such asset is ready for its intended use. All other Borrowing costs are charged to Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

h. Depreciation

Depreciation has been provided on straight line method based on useful life of Assets as prescribed in Schedule II to the Companies Act, 2013.

Plant and equipments have been, on technical assessment, considered as continuous process plants as defined in the said Schedule and depreciation has been provided accordingly.

Depreciation on Plant and equipments is provided on Straight Line Method. In respect of other assets depreciation is provided on Written Down Value Method.

Intangible Assets are amortised based on their estimated useful lives.

i. Employee Benefits

Short Term employee benefits including accrued liability for Leave Encashment (other than termination benefits) which are payable within 12 (twelve) months after the end of the period in which the employees render service are paid/provided during the year, as per the Rules of the Company.

Defined Contribution Plans:

Retirement benefits in the form of Provident Fund, Family Pension Funds, Superannuation Fund (wherever opted) and ESIC are defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Defined Benefit plans:

The Company provides for Gratuity, a defined benefit retirement plan, covering eligible employees. The scheme is funded with Life Insurance Corporation of India. Liability under Gratuity plan is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period.

Termination Benefits:

Payments under Voluntary Retirement Scheme, if any are recognized in the Statement of Profit and Loss of the year in which such payments are due.

j. Foreign Currency Transactions

Transactions in Foreign Currency are recorded at the rate of exchange in force at the date of transactions

Foreign Currency assets and liabilities both monetary and non monetary are stated at the rate of exchange prevailing at the year end and resultant gains/losses are recognised in the statement of profit and loss. Premium / Discount in respect of Forward Foreign Exchange contracts are recognised over the life of the contracts

k. Taxation

Income Tax expenses comprises Current Tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year, unabsorbed depreciation or carry forward loss under taxation laws).

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted on the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. At each balance sheet date the Company re-assesses the deferred tax assets.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period and is reviewed at each balance sheet date.

i. Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

m. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

n. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

2 SHARE CAPITAL

| | As at 31.03.2015 (Rs. in lacs) | As at 31.03.2014 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| (a) Authorised: | | |
| 1,20,00,000 (Previous year:1,20,00,000) Equity shares of Rs. 10 each | <u>1,200.00</u> | <u>1,200.00</u> |
| (b) Issued,Subscribed and fully Paid up Shares : | | |
| 1,16,40,478 (Previous year:1,16,40,478) Equity shares of Rs.10 each fully paid up | 1164.05 | 1164.05 |
| (Out of the above,1,15,40,378 Equity shares of Rs.10 each, issued for consideration other than cash, in pursuance of the Scheme of Arrangement) | | |
| Total | <u>1164.05</u> | <u>1164.05</u> |

(c) RECONCILIATION OF NUMBER OF SHARES

| | As at March 31,2015 | | As at March 31,2014 | |
|---|---------------------|----------------|---------------------|----------------|
| | Number of Shares | Amount Rs.Lacs | Number of Shares | Amount Rs.Lacs |
| Equity Shares: | | | | |
| Balance as at the beginning of the year | 11640478 | 1164.05 | 11640478 | 1164.05 |
| Add: Shares issued during the year | NIL | NIL | NIL | NIL |
| Balance as at the end of the year | 11640478 | 1164.05 | 11640478 | 1164.05 |

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| | As at March. 31,2015 | | As at March. 31,2014 | |
|---|----------------------|--------------|----------------------|--------------|
| | No of Shares | % of holding | No of Shares | % of holding |
| I Mr.Binod Kumar Patodia | 1195580 | 10.27% | 1195580 | 10.27% |
| II Mr.Umang Patodia | 835120 | 7.17% | 835120 | 7.17% |
| III Mr.Ankur Patodia | 732331 | 6.29% | 732331 | 6.29% |
| IV Mrs.Prabha Patodia | 682418 | 5.86% | 682418 | 5.86% |
| V Binod Kumar Patodia HUF | 1158880 | 9.96% | 1158880 | 9.96% |
| VI Beekaypee Credit Private Limited | 822311 | 7.06% | 822311 | 7.06% |
| VII Patodia Exports & Investments Private Limited | 672986 | 5.78% | 672986 | 5.78% |
| VIII Umang Finance Private Limited | 733052 | 6.30% | 733052 | 6.30% |

(e) There was no issue of shares allotted as fully paid up shares pursuant to contract(s) without payment being received in cash or buy back or bonus shares in the preceding five years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

3 RESERVES AND SURPLUS

| | As at 31.03.2015 (Rs in lacs) | As at 31.03.2014 (Rs in lacs) |
|---|-------------------------------------|-------------------------------------|
| (A) GENERAL RESERVE | | |
| Balance as at the beginning of the year | 2,111.65 | 2,111.65 |
| Add/(Less) :Additional Depreciation (Net of tax Rs 8.62 lacs) pursuant to enactment of Schedule II of the Companies Act 2013(Refer Note 10) | <u>(19.29)</u> | <u>—</u> |
| Balance as at the end of the year | <u>2,092.36</u> | <u>2,111.65</u> |
| (B) SURPLUS/(DEFICIT) IN STATEMENT OF PROFIT AND LOSS | | |
| Balance as at the beginning of the year | (222.27) | (417.58) |
| Profit / (Loss) for the year | <u>(305.96)</u> | <u>195.31</u> |
| Balance at the end of the year | <u>(528.23)</u> | <u>(222.27)</u> |
| TOTAL (A) + (B) | <u><u>1,564.13</u></u> | <u><u>1,889.38</u></u> |

4 LONG - TERM BORROWINGS

| | As at March. 31,2015 (Rs in lacs) | | As at March. 31,2014 (Rs in lacs) | |
|----------------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|
| | Non Current | Current | Non Current | Current |
| (A) Secured Loans | | | | |
| Term Loans | | | | |
| From Banks | 2,032.63 | 785.13 | 2,387.62 | 831.71 |
| From Financial Institution | 192.50 | 70.00 | 225.00 | 207.19 |
| Finance Lease Obligations | | | | |
| From Banks | <u>12.10</u> | <u>5.90</u> | <u>9.13</u> | <u>4.02</u> |
| Total | <u><u>2,237.23</u></u> | <u><u>861.03</u></u> | <u><u>2,621.75</u></u> | <u><u>1,042.92</u></u> |
| (B) Un-secured: | | | | |
| Fixed Deposits | | | | |
| From Corporates | — | 550.00 | — | 150.00 |
| From Public | <u>—</u> | <u>—</u> | <u>15.60</u> | <u>2.14</u> |
| Total | <u>—</u> | <u><u>550.00</u></u> | <u>15.60</u> | <u>152.14</u> |
| Total (A) + (B) | <u><u>2,237.23</u></u> | <u><u>1,411.03</u></u> | <u><u>2,637.35</u></u> | <u><u>1,195.06</u></u> |

I Term Loans are secured by :

- (i) Term loans borrowed from Banks and Financial Institution and total outstanding of Rs.3080.26 lacs (Previous year - Rs.3651.52 lacs) are secured by first charge by way of equitable mortgage on all immovable assets both present and future and hypothecation of all the movable assets of the Company (excluding assets purchased on hire purchase basis), subject to prior charges in favour of Banks for working capital, ranking pari pasu interse.
- (ii) In the above mentioned Term Loans from certain Banks are further secured by personal guarantee given by Chairman & Managing Director of the Company to the extent of Rs.1312.88 lacs (Previous year end - Rs.1242.96 lacs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

(iii) Loan from Export Import Bank of India outstanding of Rs.263 Lacs (Previous year Rs.295 Lacs) is further secured by Corporate guarantee given by Patspin India Limited to the extent of Rs.175 lacs (Previous year Rs.175 Lacs).

(iv) Finance Lease Obligations are relating to vehicles and are secured against respective vehicles hypothecated costing Rs. 35.42 lacs (Previous year end Rs.21.40 lacs).

II The Maturity Profile of Secured Loans are as set out below:

| | | Maturity Profile (Rs Lacs) | | |
|---|---------------------------|----------------------------|-------------------|----------------|
| | | Within One Year | Between 2-5 Years | Beyond 5 Years |
| a | Term Loans | 855 | 2225 | — |
| b | Finance Lease obligations | 6 | 12 | — |

*Note: Term Loan instalments due within one year includes instalment due on 31st March '15 amounting to Rs.151 lacs as on the Balance Sheet Date. The same has been paid during the month of April 2015

5 DEFERRED TAX LIABILITIES (NET)

| Particulars | As at | As at |
|-------------------------------|---------------|---------------|
| | 31.03.2015 | 31.03.2014 |
| | (Rs in lacs) | (Rs in lacs) |
| (A) Deferred Tax Liabilities: | | |
| Related to Fixed Assets | 983.35 | 1,083.06 |
| (B) Deferred Tax Assets: | | |
| Unabsorbed Depreciation | 714.39 | 664.47 |
| Net (A) - (B) | 268.96 | 418.59 |

The deferred tax assets have been recognised based on export orders in hand and projection submitted to FI's and Banks

6 SHORT TERM BORROWINGS

SECURED LOANS

| | As at | As at |
|---|-----------------|-----------------|
| | 31.03.2015 | 31.03.2014 |
| | (Rs in lacs) | (Rs in lacs) |
| Loan Repayable on demand | | |
| From Banks- Working Capital Facilities (Refer Note No. 4) | 3,900.72 | 3,098.07 |
| Total | 3,900.72 | 3,098.07 |

i Working Capital Loans from Banks are secured by first charge by way of hypothecation of current assets, and further secured/to be secured by way of second charge on all immovable assets, both present and future and on all movable assets of the company (excluding assets purchased on hire purchase basis), ranking pari passu inter se, and also guaranteed by Chairman & Managing Director of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

- ii Non-fund based limits sanctioned by the bankers are secured by extension of first charge on the current assets of the Company and further secured/to be secured by second charge on the immovable properties of the company, ranking pari passu interse, and personal guarantee of Chairman & Managing Director of the company. Total amount outstanding at the end of the year is Rs.1130 lacs (Previous year Rs.3176.58 lacs).

7 TRADE PAYABLES

| | As at 31.03.2015 | As at 31.03.2014 |
|---|------------------------|------------------------|
| Due to Micro, Small and Medium Enterprises (MSME's) (Refer note No : 35) | 1.18 | 0.49 |
| Other than acceptances | 1,505.52 | 3,758.84 |
| Expenses Payable | <u>812.94</u> | <u>689.06</u> |
| Total | <u>2,319.64</u> | <u>4,448.39</u> |

8 OTHER CURRENT LIABILITIES

| | | |
|--|-----------------------|-----------------------|
| Current maturities of Long Term Loan | 855.13 | 1,038.90 |
| Current maturities of finance lease obligation | 5.90 | 4.02 |
| Current maturities of Fixed Deposits | | |
| From Corporates | 550.00 | 150.00 |
| From Public | — | 2.14 |
| Interest accrued but not due on borrowings | 46.14 | 14.71 |
| Unclaimed dividends * | 2.69 | 5.72 |
| Creditors for Capital Expenditure | 3.26 | 162.66 |
| Advances from customers | 45.61 | 260.90 |
| Employee Benefits payable | 3.28 | 7.47 |
| Statutory payable and other dues | <u>56.50</u> | <u>42.71</u> |
| Total | <u>1568.51</u> | <u>1689.23</u> |

* Due to Investor's Education and protection Fund will be determined and deposited on the respective due dates

9 SHORT TERM PROVISIONS

| | | |
|---------------------------------|----------------------|----------------------|
| Provision for Employee benefits | <u>123.23</u> | <u>105.06</u> |
| Total | <u>123.23</u> | <u>105.06</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

10 FIXED ASSETS

| Description of Assets | Gross Block | | | | | | | Depreciation/Amortisation | | | | | Net Block | |
|---|-----------------|--------------|---------------|---------------|---------------------|-----------------|--------------------|---------------------------|--|-------------------------|---------------------|---------------------|----------------|----------------|
| | April 1, 2014 | Addi- tion | Dis- posal | Ac- quisition | Other Adjust- ments | March 31, 2015 | Upto April 1, 2014 | For the Year | Retained Earnings (refer "Note" below) | Disposal/ Adjust- ments | Other Adjust- ments | Upto March 31, 2015 | March 31, 2015 | March 31, 2014 |
| A Tangible Assets | | | | | | | | | | | | | | |
| a) Own Assets | | | | | | | | | | | | | | |
| Land | 24.34 | — | — | — | — | 24.34 | — | — | — | — | — | 24.34 | 24.34 | |
| Building * | 1887.31 | 1.92 | — | — | — | 1889.23 | 1253.73 | 47.39 | — | — | — | 1,301.12 | 588.11 | 633.58 |
| Plant and Equip- ment | 11169.52 | 33.63 | 723.79 | — | (0.33) | 10479.69 | 6233.40 | 373.46 | 15.67 | 545.71 | — | 6,076.82 | 4402.87 | 4936.12 |
| Office Equipment | 245.48 | 5.46 | 0.89 | — | — | 250.04 | 211.34 | 15.75 | 8.69 | 0.79 | — | 234.98 | 15.06 | 34.14 |
| Furniture and Fix- tures | 93.28 | 0.53 | 0.39 | — | 0.33 | 93.10 | 86.39 | 1.92 | 0.88 | 0.37 | — | 88.83 | 4.27 | 6.89 |
| Vehicles | 63.95 | — | 4.94 | — | — | 59.01 | 58.92 | 2.27 | — | 4.93 | — | 56.26 | 2.75 | 5.03 |
| Total (a) | 13483.88 | 41.54 | 730.01 | — | — | 12795.41 | 7843.78 | 440.79 | 25.24 | 551.80 | — | 7758.01 | 5037.40 | 5640.10 |
| Previous year end | 13259.23 | 261.88 | 42.50 | — | 5.27 | 13483.88 | 7271.72 | 603.39 | — | 35.32 | 3.99 | 7843.78 | 5640.10 | — |
| b) Assets taken on Finance Lease | | | | | | | | | | | | | | |
| Vehicles | 21.40 | 14.03 | — | — | — | 35.43 | 6.14 | 8.23 | 2.02 | — | — | 16.39 | 19.04 | 15.26 |
| Total (b) | 21.40 | 14.03 | — | — | — | 35.43 | 6.14 | 8.23 | 2.02 | — | — | 16.39 | 19.04 | 15.26 |
| Previous year end | 11.97 | 14.70 | — | — | (5.27) | 11.97 | 7.22 | 2.91 | — | — | (3.99) | 6.14 | 4.75 | — |
| Total A (a + b) | 13505.28 | 55.56 | 730.01 | — | — | 12830.84 | 7849.92 | 449.02 | 27.26 | 551.80 | — | 7774.40 | 5056.44 | 5655.36 |
| Previous year end (i) | 13271.20 | 276.58 | 42.50 | — | — | 13505.28 | 7278.94 | 606.30 | — | 35.32 | — | 7849.92 | 5655.36 | — |
| B Intangible Assets | | | | | | | | | | | | | | |
| Own Assets (Acquired): | | | | | | | | | | | | | | |
| Computer Software | 244.26 | 7.39 | — | — | — | 251.65 | 229.34 | 7.58 | 0.65 | — | — | 237.57 | 14.08 | 14.92 |
| Total B | 244.26 | 7.39 | — | — | — | 251.65 | 229.34 | 7.58 | 0.65 | — | — | 237.57 | 14.08 | 14.92 |
| Previous year end (ii) | 241.68 | 2.58 | — | — | — | 244.26 | 224.93 | 4.41 | — | — | — | 229.34 | 14.92 | — |
| Total A+B | 13749.54 | 62.95 | 730.01 | — | — | 13082.49 | 8079.26 | 456.60 | 27.91 | 551.80 | — | 8011.97 | 5070.52 | 5670.28 |
| Previous year end (i) to (ii) | 13512.88 | 279.16 | 42.50 | — | — | 13749.54 | 7503.87 | 610.71 | — | 35.32 | — | 8079.26 | 5670.28 | — |

* Includes Rs.500 (Previous year Rs.500) being cost of shares held in Mittal Chambers Owner's Co-operative Society

Note: In accordance with the provisions of Schedule II of the Companies Act, in case of fixed assets which have completed their useful life as at 1st April 2014, the carrying value (net of residual value) amounting to Rs 27.91 lacs (Net of deferred tax of Rs 8.62 lacs) as a transitional provision has been recognised in the Retained Earnings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

11 NON CURRENT INVESTMENTS

| | As at 31.03.2015 (Rs in lacs) | | As at 31.03.2014 (Rs in lacs) | |
|---|----------------------------------|-------------------|----------------------------------|-------------------|
| | Quoted (I) | Un-Quoted (II) | Quoted (I) | Un-Quoted (II) |
| (I) LONG TERM INVESTMENTS - Valued at cost | | | | |
| In Equity Shares of Associate (Trade) | | | | |
| Patspin India Limited - 1,42,87,068(1,42,87,068) of Rs.10 each | 1,964.26 | | 1,964.26 | |
| In Equity Shares (Non-Trade) | | | | |
| Central Bank of India - 243 (243) Equity Shares of Rs.10 each | 0.25 | | 0.25 | |
| In Bonds | | | | |
| Central Bank of India - Series X 8.15% Tier II Bonds | 20.00 | | 20.00 | |
| In other investments | | | | |
| GTN Consumer co-operative stores Limited (2100 shares of Rs. 10 each) | | 0.21 | | 0.21 |
| GTN Textiles Employees credit Co-op Society Limited (200 shares of Rs.100 each) | | 0.20 | | 0.20 |
| | <u>1,984.51</u> | <u>0.41</u> | <u>1,984.51</u> | <u>0.41</u> |
| Total (I) + (II) | | 1,984.92 | | 1,984.92 |
| Aggregate amount of quoted investments market value | | 1,010.81 | | 862.07 |

In view of accumulated losses in Patspin India Limited, there is diminution in the value of the Company's investment. However, the investment is strategic long term and the diminution being temporary, no provisioning has been considered necessary.

12 LONG TERM LOANS AND ADVANCES

| | As at 31.03.2015 (Rs in lacs) | As at 31.03.2014 (Rs in lacs) |
|---|----------------------------------|----------------------------------|
| Unsecured and considered good unless otherwise stated | | |
| Capital Advances | 7.38 | 5.81 |
| Security Deposits | 17.80 | 17.78 |
| Income Tax (Net of Provision Rs.204.67 lacs ; Previous year Rs.204.67 lacs) | 52.93 | 26.24 |
| Minimum Alternate Tax Credit entitlement | 114.47 | 114.47 |
| Total | <u>192.58</u> | <u>164.30</u> |

13 INVENTORIES

| | | |
|--|-----------------------|-----------------------|
| Stores, Spares and Packing Materials - (Refer note no 1(e) -Accounting Policies) | 62.87 | 71.88 |
| Stock In Trade - (Refer note no.1(e) - Accounting Policies) | | |
| Raw Materials | 1237.61 | 2353.37 |
| Goods-in-Process | 481.49 | 336.68 |
| Finished Goods | 1826.51 | 1119.45 |
| Waste Stock | 4.47 | 9.77 |
| Total | <u>3612.95</u> | <u>3891.15</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

14 TRADE RECEIVABLES

| | As at 31.03.2015 (Rs in lacs) | As at 31.03.2014 (Rs in lacs) |
|--|-------------------------------------|-------------------------------------|
| Considered Good | | |
| Outstanding exceeding six months from the due date | 0.88 | — |
| Outstanding less than six months from the due date | 1292.12 | 2245.18 |
| Total | <u><u>1293.00</u></u> | <u><u>2245.18</u></u> |

15 CASH AND BANK BALANCES

a. Cash and cash equivalents:

| | | |
|---|--------------|---------------|
| Cash in Hand | 9.16 | 15.66 |
| Balances with Scheduled Banks in Current Accounts | <u>43.46</u> | <u>205.00</u> |
| | <u>52.62</u> | <u>220.66</u> |

b. Other Bank Balances:

| | | |
|--------------------------------------|----------------------|----------------------|
| Unclaimed Dividend Accounts | 2.69 | 5.72 |
| Margin Money and other lien deposits | <u>87.17</u> | <u>394.47</u> |
| | <u>89.86</u> | <u>400.19</u> |
| Total | <u><u>142.48</u></u> | <u><u>620.85</u></u> |

16 SHORT TERM LOANS AND ADVANCES

Unsecured considered good, unless otherwise stated:

| | | |
|---------------------------------------|----------------------|----------------------|
| Considered doubtful | 2.91 | 2.91 |
| Less: Provision for Doubtful advances | <u>2.91</u> | <u>2.91</u> |
| | — | — |
| TUF Subsidy Receivable | 93.94 | 85.69 |
| Export Incentives Receivable | 112.55 | 268.70 |
| Security Deposits | 138.15 | 137.99 |
| Prepaid Expenses | 58.84 | 32.16 |
| Advances for Raw material | 13.81 | 38.22 |
| Other Advances | 405.04 | 272.40 |
| Balances with Statutory Authorities | <u>18.23</u> | <u>15.58</u> |
| Total | <u><u>840.56</u></u> | <u><u>850.74</u></u> |

17 OTHER CURRENT ASSETS

| | | |
|------------------------------|--------------------|---------------------|
| Interest Accrued on Deposits | <u>9.46</u> | <u>22.70</u> |
| Total | <u><u>9.46</u></u> | <u><u>22.70</u></u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

18 REVENUE FROM OPERATIONS

| | Year ended 31.03.2015 (Rs in lacs) | Year ended 31.03.2014 (Rs in lacs) |
|-----------------------------------|--|--|
| (A) Sale of Products | | |
| Finished Goods : | | |
| Exports | 6,004.56 | 8,253.58 |
| Local | 7,985.24 | 9,224.90 |
| Traded Goods: | | |
| Exports | 3,321.03 | 9,665.88 |
| Waste Sales: | | |
| Exports | 44.40 | — |
| Local | 863.02 | 887.75 |
| Total (A) | 18,218.25 | 28,032.11 |
| Less : Excise Duty | — | — |
| Net Sales | 18,218.25 | 28,032.11 |
| (B) Other Operating Income | | |
| Job work charges | 37.42 | 45.35 |
| Export Incentive | 342.12 | 534.38 |
| Total (B) | 379.54 | 579.73 |
| Total (A) + (B) | 18,597.79 | 28,611.84 |

19 OTHER INCOME

| | | |
|------------------------|--------------|--------------|
| Interest Income | 44.01 | 48.76 |
| Sale of scrap | 11.72 | 11.50 |
| Miscellaneous receipts | 17.52 | 1.41 |
| Total | 73.25 | 61.67 |

20 COST OF RAW MATERIALS CONSUMED

| | Year ended 31.03.2015 (Rs in lacs) | Year ended 31.03.2014 (Rs in lacs) |
|--------------------------------------|---------------------------------------|---------------------------------------|
| (A) Raw materials Consumed | | |
| Opening Stock | 2,353.37 | 2,194.89 |
| Add :Purchases during the Year | 9760.08 | 12950.64 |
| Less:Sale of Cotton | 1,561.33 | 1,998.02 |
| Less:Closing Stock | 1,237.61 | 2,353.37 |
| Total (A) | 9,314.51 | 10,794.14 |
| (B) Packing Material Consumed | | |
| Opening Stock | 27.67 | 31.29 |
| Add :Purchases during the Year | 220.79 | 226.53 |
| Less:Closing Stock | 22.52 | 27.67 |
| Total (B) | 225.94 | 230.15 |
| Total (A) + (B) | 9540.45 | 11024.29 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

21 CHANGES IN INVENTORY OF FINISHED GOODS, GOODS IN PROCESS AND WASTE

| | Year ended 31.03.2015 (Rs in lacs) | Year ended 31.03.2014 (Rs in lacs) |
|--|--|--|
| (A) Stock at the beginning of the year: | | |
| Finished goods | 1,119.45 | 1354.47 |
| Goods-in-process | 336.68 | 249.59 |
| Waste | 9.77 | 4.74 |
| Total (A) | 1,465.90 | 1,608.80 |
| (B) Less : Stock at the end of the year: | | |
| Finished goods | 1,738.42 | 1,119.45 |
| Goods-in-process | 481.49 | 336.68 |
| Waste | 4.47 | 9.77 |
| Total (B) | 2,224.38 | 1,465.90 |
| Decrease /(Increase) in inventory (A)-(B) | (758.48) | 142.90 |

22 EMPLOYEE BENEFIT EXPENSES

| | | |
|---|-----------------|-----------------|
| Salaries, Wages and Bonus | 2,239.66 | 1,968.69 |
| Contribution to Provident and Other Funds | 186.34 | 325.41 |
| Welfare Expenses | 154.34 | 149.05 |
| Total | 2,580.34 | 2,443.15 |

23 FINANCE COST

| | | |
|--|-----------------|-----------------|
| Interest Expenses | 967.11 | 1,182.34 |
| Other borrowing costs | 83.71 | 103.56 |
| Net Loss on foreign currency transaction and translation | 38.58 | 4.34 |
| Total | 1,089.40 | 1,290.24 |

24 OTHER EXPENSES

| | | |
|--|---------|---------|
| Power and Fuel | 1730.55 | 1657.31 |
| Process charges expenses | 363.14 | 325.07 |
| Consumption- Stores and Spares | 63.30 | 52.38 |
| Repairs & Maintenance- Plant & Machinery | 230.29 | 230.53 |
| Repairs & Maintenance- Building | 15.17 | 2.20 |
| Commission and Brokerage | 180.56 | 290.88 |
| Other selling expenses | 341.76 | 563.23 |
| Insurance | 70.78 | 55.64 |
| Rates and Taxes | 11.07 | 14.48 |
| Rent | 9.98 | 9.07 |
| Directors Sitting Fee | 3.51 | 3.46 |
| Payment to Auditors | | |
| Audit Fee | 1.97 | 1.97 |
| Tax Audit Fee | 0.81 | 0.70 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

| | Year ended 31.03.2015 (Rs in lacs) | Year ended 31.03.2014 (Rs in lacs) |
|---|--|--|
| Cost Audit Fee | — | 0.56 |
| Certification Charges | 0.35 | 0.32 |
| Out of Pocket Expenses | 0.61 | 0.67 |
| Net loss / (gain) on foreign currency transaction and translation | (223.50) | 430.96 |
| Loss on disposal/discard of fixed assets (Net) | (18.65) | 1.32 |
| Miscellaneous Expenses | 313.20 | 360.70 |
| Total | 3,094.90 | 4,001.45 |

25 EARNING PER SHARE

| | 2014-15 (Rs in lacs) | 2013-14 (Rs in lacs) |
|--|-------------------------|-------------------------|
| Net profit /(Loss) as per statement of profit and loss | (305.96) | 195.31 |
| Weighted average Number of Equity Shares (Rs.10 per share) Nos | 11640478 | 11640478 |
| Basic and diluted Earning Per Share Rs | (2.63) | 1.68 |

26 Disclosure in respect of Company's interest in Joint Venture in India pursuant to Accounting Standard 27:

Financial Reporting of Interest in Joint Ventures:

| | As at 31.03.2015 (Rs in lacs) | As at 31.03.2014 (Rs in lacs) |
|--|-------------------------------------|-------------------------------------|
| A. Name of the Ventures : Patspin India Limited | | |
| B. Proportion of Ownership Interest: | 46.21% | 46.21% |
| C. The Aggregate of Company's share in the above venture in: | | |
| Non Current Assets: | | |
| Net Fixed Assets | | |
| Tangible Assets | 8820.42 | 9045.82 |
| Intangible Assets | 6.23 | 9.11 |
| Capital work-in-progress | 198.52 | 0.12 |
| Non-current Investment: | 170.84 | 85.33 |
| Deferred Tax Asset(Net) | 113.79 | 30.34 |
| Long term Loans and Advances: | 572.80 | 447.22 |
| Other Non-Current Assets | 333.02 | 388.52 |
| Current Assets: | | |
| Inventories | 3641.23 | 5179.17 |
| Trade receivables | 904.42 | 1449.94 |
| Cash and Bank Balances | 291.12 | 562.08 |
| Short-term loans and advances | 960.55 | 841.49 |
| Other current assets | 66.56 | 61.08 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

| | As at 31.03.2015 (Rs in lacs) | As at 31.03.2014 (Rs in lacs) |
|--|-------------------------------------|-------------------------------------|
| Current Liabilities | | |
| Short-term Borrowings | 2654.26 | 4113.80 |
| Trade payables | 2594.95 | 1949.01 |
| Other current liabilities | 1827.77 | 2064.09 |
| Short-term Provisions | 46.48 | 40.49 |
| Non-Current Liabilities | | |
| Long-term borrowings | 7814.50 | 8486.13 |
| Deferred Tax Liability(Net) | — | — |
| Revenue: | | |
| Revenue From Operations | 25619.80 | 28170.04 |
| Other income | 54.66 | 47.98 |
| Expenditure | | |
| Cost of Raw materials consumed | 16132.39 | 16234.04 |
| Purchases of Stock-in-Trade | 2815.66 | 5128.76 |
| Changes in inventories of finished goods, work-in-progress and Waste | 140.06 | (774.09) |
| Employee benefits expense | 1358.36 | 1215.47 |
| Finance costs | 1424.73 | 1600.68 |
| Depreciation and amortization expense | 574.61 | 877.42 |
| Other expenses | 3608.71 | 3678.18 |
| Provision for Current Tax (MAT) | — | — |
| MAT Credit Entitlement | — | — |
| Deferred tax Liability / (Reversal) | (80.16) | 61.01 |
| Contingent Liabilities | 783.12 | 834.63 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

27 GRATUITY

| | | Gratuity (Funded) 2014-15 Rs in Lacs | Gratuity (Funded) 2013-14 Rs in Lacs |
|----------|--|---|---|
| A | Expense recognised during the year | | |
| | 1 Current Service Cost | 28.58 | 27.01 |
| | 2 Interest cost | 60.28 | 56.26 |
| | 3 Expected return on plan assets | (76.90) | (71.76) |
| | 4 Actuarial Loss/(Gain) during the year | (20.40) | 74.25 |
| | 5 Expenses recognised in Statement of Profit & Loss | (8.44) | 85.76 |
| B | Actual return on Plan assets | | |
| | 1 Expected return on plan assets | 76.90 | 71.76 |
| | 2 Actuarial Gain/(Loss) on Plan assets | — | — |
| | 3 Actual return on plan assets | 76.90 | 71.76 |
| C | Net Asset/(Liability) recognised in the Balance Sheet | | |
| | 1 Present value of the obligation at the year end | 745.01 | 753.50 |
| | 2 Fair Value of plan assets at the year end | 924.48 | 882.82 |
| | 3 Funded status - surplus/(deficit) | 179.47 | 129.31 |
| | 4 Unrecognised past service cost | — | — |
| | 5 Net Asset/(Liability) recognised in the Balance Sheet | 179.47 | 129.31 |
| D | Change in Present value of the Obligation during the year | | |
| | 1 Present value of the obligation as at the beginning of year | 753.50 | 703.31 |
| | 2 Current service cost | 28.58 | 27.01 |
| | 3 Interest cost | 60.28 | 56.26 |
| | 4 Benefits paid | (76.96) | (107.33) |
| | 5 Actuarial loss/(gain) on obligation | (20.40) | 74.25 |
| | 6 Present value of obligation at the year end | 745.00 | 753.50 |
| E | Change in Assets during the year | | |
| | Fair Value of plan assets at the beginning of the year | 882.82 | 860.68 |
| | Expected return on plan assets | 76.90 | 71.76 |
| | Contributions made | 41.72 | 57.70 |
| | Benefits paid | (76.96) | (107.33) |
| | Actuarial Loss/(gain) on plan assets | — | — |
| | Fair value of plan assets at the year end | 924.48 | 882.82 |
| F | Actuarial Assumptions | | |
| | Discount rate | 8% | 8% |
| | Salary escalation | 3% | 3% |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

28 Related Party Disclosures

(a) List of Related parties (as identified by the management)

Related parties with whom transactions are taken place during the year :

i. Associates:

Patspin India Ltd

ii. Company in which Directors are holding more than 2% of shareholding

GTN Enterprises Ltd

iii. Key Management Personnel:

Shri B.K Patodia – Chairman & Managing Director

iv. Relatives of Key Management Personnel:

- 1 Smt. Prabha Patodia, Wife of Sri. B.K. Patodia
- 2 Smt. Mala Patodia, Daughter in Law of Sri. B.K. Patodia
- 3 Smt. Swati Patodia, Daughter in Law of Sri. B.K. Patodia
- 4 Kum. Annaya Patodia (Minor), Grand Daughter of Sri. B.K.Patodia

| (b) Transactions / Balances | Associates | | Company in which Directors are holding more than 2% of shareholding | | Key management Personnel | | Relatives of Key Management Personnel | |
|-----------------------------|----------------|----------------|---|----------------|--------------------------|----------------|---------------------------------------|----------------|
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| Sale of goods | 330.28 | 825.72 | 2,066.37 | 1,538.94 | — | — | — | — |
| Purchase of goods | 1,563.38 | 1,342.59 | 1,041.75 | 1,373.16 | — | — | — | — |
| Purchase of fixed assets | — | — | — | — | — | — | — | — |
| Sale of fixed assets | 121.93 | — | 100.28 | — | — | — | — | — |
| Rendering of services | 18.25 | 20.38 | 17.24 | 24.73 | — | — | 3.60 | 3.60 |
| Receiving of services | 122.73 | 93.57 | 154.60 | 188.19 | — | — | — | — |
| Remuneration paid | — | — | — | — | 44.97 | 45.67 | — | — |
| Lease rentals received | — | — | — | — | — | — | — | — |
| Lease rentals paid | — | — | — | — | — | — | — | — |
| Sitting Fees | — | — | — | — | — | — | — | — |
| Loans repaid | — | — | — | — | — | — | 7.10 | 5.80 |
| Loans taken | — | — | — | — | — | — | — | 7.10 |
| Interest Paid | — | — | — | — | — | — | 0.71 | 0.77 |
| Balances as at year end | | | | | | | | |
| Trade Payables | 304.78 | 112.98 | 4.69 | 133.65 | — | — | — | — |
| Trade Receivables | — | — | — | — | — | — | — | — |
| Loans Outstanding | — | — | — | — | — | — | — | 7.10 |
| Investments | 1,964.26 | 1,964.26 | — | — | — | — | — | — |
| Guarantees provided for | 300.00 | 300.00 | — | — | — | — | — | — |
| Guarantees received | 175.00 | 175.00 | — | — | — | — | — | — |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

(c) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties

| | Transactions | |
|--------------------------------------|----------------|----------------|
| | March 31, 2015 | March 31, 2014 |
| (i) Interest on Fixed Deposit | | |
| ANNAYA PATODIA | 0.71 | 0.77 |
| (ii) Loans taken | | |
| ANNAYA PATODIA | — | 7.10 |
| (iii) Loans repaid | | |
| ANNAYA PATODIA | 7.10 | 5.80 |
| (iv) Sale of goods | | |
| a) Cotton | | |
| i) GTN Enterprises LTD | 1,917.35 | 914.11 |
| ii) Patspin India LTD | — | 685.74 |
| b) Cotton Yarn | | |
| i) GTN Enterprises LTD | 149.02 | 624.84 |
| ii) Patspin India LTD | 326.40 | 139.48 |
| c) Store Items | | |
| i) Patspin India LTD | 3.88 | 0.51 |
| d) Machinery | | |
| i) GTN Enterprises LTD | 100.28 | — |
| ii) Patspin India LTD | 121.93 | — |
| (v) Purchase of goods | | |
| a) Cotton | | |
| i) GTN Enterprises LTD | 1,015.57 | 1,177.20 |
| ii) Patspin India LTD | 1,409.61 | 549.72 |
| b) Cotton Yarn | | |
| i) GTN Enterprises LTD | 26.18 | 195.96 |
| ii) Patspin India LTD | 152.47 | 792.59 |
| c) Store Items | | |
| i) GTN Enterprises LTD | — | — |
| ii) Patspin India LTD | 1.31 | 0.28 |
| (vi) Rendering of services | | |
| a) Rent | | |
| i) GTN Enterprises LTD | 1.20 | 1.20 |
| ii) Patspin India LTD | 1.32 | 1.32 |
| b) Processing Charges | | |
| i) GTN Enterprises LTD | 16.04 | 23.53 |
| ii) Patspin India LTD | 16.93 | 19.06 |
| (vii) Receiving of services | | |
| a) Rent | | |
| i) Prabha Patodia | 1.80 | 1.80 |
| ii) Mala Patodia | 0.90 | 0.90 |
| iii) Swati Patodia | 0.90 | 0.90 |
| b) Processing Charges | | |
| i) GTN Enterprises LTD | 154.60 | 188.19 |
| ii) Patspin India LTD | 122.73 | 93.57 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

| | Transactions | |
|---|----------------|----------------|
| | March 31, 2015 | March 31, 2014 |
| (viii) Remuneration paid | | |
| Sri. B. K. PATODIA | 44.97 | 45.67 |
| (ix) Guarantees provided for Patspin India Limited | — | — |
| (x) Guarantees received from Patspin India Limited | — | — |
| Notes: | | |
| (i) The related parties have been identified by the Management and relied upon by the auditors. | | |
| (ii) No amount has been provided for/written off/written back, pertaining to related parties. | | |

- 29** a) In the opinion of the management, assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- b) The accounts of certain Trade Receivables, Trade Payables, Loans & Advances and Banks are however, subject to formal confirmations/reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current period's financial statements on such reconciliation/adjustments.
- 30** In term of Accounting Standard -17, the company operates materially only in one business segment viz., Textile industry and have its production facilities and all other assets located within India. Sales to external customers comprise outside India sales of Rs.9369.99 Lacs (Previous year Rs.17919.46 lacs) and within India sale of Rs.8848.26 lacs (Previous year Rs.10112.65 Lacs)
- 31** Finance Lease assets and their against loan repayable future payments disclosure required in AS 19.

| Particulars | As at 31.03.2015 | | | As at 31.03.2014 | | |
|-----------------------------------|---|---|--|---|---|--|
| | Total Minimum payments Outstanding (Rs.in Lacs) | Future Interest on outstanding (Rs.in Lacs) | Present value of minimum payments (Rs.in Lacs) | Total Minimum payments Outstanding (Rs.in Lacs) | Future Interest on outstanding (Rs.in Lacs) | Present value of minimum payments (Rs.in Lacs) |
| 1. Due within one year | 5.89 | 1.61 | 4.28 | 5.23 | 1.21 | 4.02 |
| 2. Between one year to five years | 12.11 | 1.69 | 10.42 | 10.32 | 1.19 | 9.13 |
| Total | 18.00 | 3.30 | 14.70 | 15.55 | 2.40 | 13.15 |

32 CONTINGENT LIABILITIES AND COMMITMENTS

A COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Nil (Previous year Rs.Nil).
- Outstanding Export Forward Contracts (not in the nature of derivatives) as on 31st March 2015 which were entered into for hedging exchange risk arising from foreign currency fluctuations related to highly probable future transactions amounting to US\$ 18.96 Lacs (Previous year US\$ 11.17 Lacs) at average exchange rate of Rs.64.75/US\$ (Previous year Rs.64.22/US\$) and Euro 1.50 Lacs (Previous year 6.12 Lacs) at an average exchange rate of Rs.81.78/Euro (Previous year Rs.88.52/Euro). The period covered under these contracts spreads over April 2015 to February 2016 (Previous year April 2015 to October 2015). The average exchange rate applicable for above period based on exchange rate on 31.03.2015 works out to Rs.64.41/US\$ (Previous year Rs.61.66/US\$) and Rs.68.97/Euro (Previous year Rs.83.94/Euro), resulting a notional profit of Rs.25.64 lacs (Previous year notional profit of Rs.56.62 Lacs)
- Outstanding Import Forward Contracts (not in the nature of derivatives) as on 31st March 2015 which were entered into for hedging exchange risk arising from foreign currency fluctuations related to highly probable

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

future transactions amounting to US\$ Nil Lacs (Previous year US\$ 11.36 Lacs) at average exchange rate of Rs.Nil/US\$ (Previous year Rs.61.42/US\$) . The period covered under these contracts spreads over Nil (Previous year April 2014 to July 2014). The average exchange rate applicable for above period based on exchange rate on 31.03.2015 works out to Rs.Nil/US\$ (Previous year Rs.60.84/US\$), resulting a notional profit of Rs.Nil lacs (Previous year notional profit of Rs.15.35 Lacs)

B CONTINGENT LIABILITIES

- Contingent Liabilities and commitments not provided for in respect of :
Disputed amounts of Taxes and Duties and other claims not acknowledged as debts : Rs. Nil (Previous year Rs. Nil.)
- The company has given corporate Guarantee amounting of Rs.300 Lacs (Previous year Rs 300 Lacs) to EXIM bank in respect of financial assistance provided by them to PATSPIN INDIA LIMITED under restructured TUF scheme and the outstanding amount of the said loan is Rs.1845 Lacs. (Previous year Rs. 1198 Lacs)

33 Particulars of un-hedged Foreign Currency exposures as at 31.03.2015 are given below:

| Particulars | As at 31.03.2015 | | | As at 31.03.2014 | | |
|------------------|------------------|-------------------|---------------------|------------------|-------------------|---------------------|
| | Amount in Lacs | Exchange Rate Rs. | Amount (Rs.in lacs) | Amount in Lacs | Exchange Rate Rs. | Amount (Rs.in lacs) |
| Accounts payable | USD 7.23 | 62.50 | 451.93 | USD 8.42 | 59.90 | 504.36 |
| | EUR Nil | Nil | Nil | EUR 2.45 | 82.30 | 201.64 |

34 Net loss / Gain on foreign currency transaction and translation

The amount of net profit on foreign currency transaction and translation included in the Other expenses amounts to Rs. 223.32 Lacs (Previous year Rs.430.96 lacs loss). This included gain on account of export Rs.292.34 Lacs (Previous year Rs.27.43 lacs gain), loss on account of import Rs.112.68 lacs (Previous year Rs.254.61 Lac loss) and gain on account of cancellation of forward contracts Rs.43.65 lacs (Previous year Rs.203.78 lacs loss)

35 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AND DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES ACT, 2006

| | As at 31.03.2015 (Rs in lacs) | As at 31.03.2014 (Rs in lacs) |
|---|-------------------------------|-------------------------------|
| The principal amount due thereon remaining unpaid as on the Balance sheet date | Nil | Nil |
| Interest paid along with the amount of the payment during the year | Nil | Nil |
| Interest due and payable but without adding the interest specified in the above-mentioned act. | Nil | Nil |
| Interest accrued and remaining unpaid at the end of the year. | Nil | Nil |
| Amount of interest remaining due and payable in subsequent years, and such interest actually paid to and deductible expenditure under section 23 of the said act. | Nil | Nil |

36 VALUE OF IMPORTS ON CIF BASIS

| | Year ended 31.03.2015 (Rs in lacs) | Year ended 31.03.2014 (Rs in lacs) |
|--------------------------|------------------------------------|------------------------------------|
| a Raw Materials - Cotton | 5390.20 | 5376.87 |
| b Stores | 19.73 | 21.23 |
| c Capital Goods | — | 224.23 |
| Total | 5409.93 | 5622.33 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015 (Contd.)

37 EXPENDITURE IN FOREIGN CURRENCY

| | Year ended 31.03.2015 (Rs in lacs) | Year ended 31.03.2014 (Rs in lacs) |
|-------------------|--|--|
| Agents Commission | 253.16 | 210.81 |
| Foreign Travel | 18.29 | 33.42 |
| Others | 15.15 | 52.36 |
| Total | 286.60 | 296.59 |

38 IMPORTED AND INDIGENOUS RAW MATERIALS ,COMPONENTS AND SPARE PARTS CONSUMED

| | 2014-15 (Rs in lacs) | Percentage | 2013-14 (Rs in lacs) | Percentage |
|--|-------------------------|---------------|-------------------------|---------------|
| a Raw Materials | | | | |
| Cotton Imported | 5756.89 | 60.34 | 5534.50 | 51.27 |
| Cotton Indigenous | 3055.18 | 32.02 | 2574.57 | 23.85 |
| Yarn Indigenous | 728.38 | 7.64 | 2685.07 | 24.88 |
| Total | 9540.45 | 100.00 | 10794.14 | 100.00 |
| b Traded Goods (Yarn -Indigenous) | 3114.79 | — | 8768.46 | — |
| c Packing Materials | | | | |
| Imported | 5.75 | 2.54 | 11.80 | 5.13 |
| Indigenous | 220.19 | 97.46 | 218.35 | 94.87 |
| Total | 225.94 | 100.00 | 230.15 | 100.00 |
| d Stores and Spares | | | | |
| Imported | — | — | — | — |
| Indigenous * | 113.03 | 100.00 | 64.26 | 100.00 |
| Total | 113.03 | 100.00 | 64.26 | 100.00 |

*Includes HSD Value Rs 49.73 Lacs (Previous Year Rs 11.88 lacs) Charged to Power & Fuel

39 EARNINGS IN FOREIGN CURRENCY

| Particulars | 2014-15 (Rs In lacs) | 2013-14 (Rs In lacs) |
|----------------------|-------------------------|-------------------------|
| FOB Value of Exports | 9233.28 | 17500.52 |

40 PREVIOUS YEAR'S FIGURES

The previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's presentation.

Signature to Note 1 to 40

As per our report of even date attached
For **M.S. JAGANNATHAN & VISVANATHAN**
Chartered Accountants (ICAI FRN 001209S)

R. MUGUNTHAN

Partner
M. No. 21397
Place : Kochi
Date : 27th May, 2015

For and on behalf of the Board

B. K. PATODIA
Chairman & Managing Director
DIN No. 00003516

E.K.BALAKRISHNAN
Vice President (Corporate Affairs)
& Company Secretary

B.L.SINGHAL
Director
DIN No. 00006433

A.K.WAREKAR
Vice President (Finance)
& Chief Financial Officer

GTN TEXTILES LIMITED

L18101KL2005PLC018062

Registered Office: Door No. VIII/911, Erumathala PO, Aluva, Kochi – 683112

Website: gtntextiles.com

ATTENDANCE SLIP

(To be presented at the entrance)

Folio No. / Client ID _____ DP ID _____

I/We hereby record my/our presence at the 10th ANNUAL GENERAL MEETING of the Company on Friday 7th day of August, 2015 at 12:15 p.m. at, Puzhayoram Hall, Hotel Periyar, Aluva 683 211.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDER(S) MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING.

Signature of the Member/ Proxy**Form No. MGT -11
PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

GTN TEXTILES LIMITED

L18101KL2005PLC018062

Registered Office: Door No. VIII/911, Erumathala PO, Aluva, Kochi – 683112

Website : www.gtntextiles.com

| | | |
|------------------------|--|--------|
| Name of the member (s) | | |
| Registered address | | |
| E-mail Id | | |
| Folio No/ Client Id | | DP ID: |

I/We, being the member (s) of shares of the above named company, hereby appoint

| | | |
|----------------------|------------|------------|
| 1 | Name: | Address: |
| | E-mail Id: | Signature: |
| Or failing him / her | | |
| 2 | Name: | Address: |
| | E-mail Id: | Signature: |
| Or failing him / her | | |
| 3 | Name: | Address: |
| | E-mail Id: | Signature: |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf on the 10th Annual General Meeting of the company, to be held on Friday, 7th day of August , 2015 at 12:15 p.m. at, Puzhayoram Hall, Hotel Periyar, Aluva 683 211 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution Number | Resolution | Vote (Please mention No. of shares) | | |
|--------------------------|--|--|---------|---------|
| | | For | Against | Abstain |
| Ordinary Business | | | | |
| 1. | Adoption of Financial Statements of the Company for the year ended 31 March, 2015, Reports of the Board of Directors and Auditors thereon. | | | |
| 2. | Reappointment of Shri. Mahesh C Thakker as Director of the Company | | | |
| 3. | Appointment of M/s MS Jagannathan & Visvanathan as Auditors of the Company | | | |
| Special Business | | | | |
| 4. | Re-appointment of Shri. B.K. Patodia as Managing Director of the Company for a period of 5 years with effect from 18.12.2015 and fixing his remuneration | | | |
| 5. | Appointment of Smt. Pamela Anna Mathew as an Independent Director for a period of 5 years. | | | |

Signed this _____ day of _____ 2015

Affix
Revenue
Stamp
of Re.1/-

Signature of the Shareholder _____

Signature of Proxy holder(s) _____

Note: This Form of Proxy, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the meeting.



GTN TEXTILES LTD.

Registered Office: Door No. VIII/911, Erumathala P O., Aluva, Ernakulam 683112

Corporate Office: 43, Mittal Chambers, 4th Flr., 228, Nariman Point, Mumbai 400021

An ISO 9001: 2008/14001:2004 Certified Company

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