

# GTN TEXTILES LIMITED

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2024-25

### 1. Company's Philosophy on Code of Corporate Governance

Your company is committed to the adoption of and adherence to the best corporate governance practices at all times. The Corporate Governance guidelines are in compliance with the requirements of Schedule V of SEBI (LODR), Regulations, 2015 (Listing Regulations). 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 share-holders, employees, the Government and Lenders.

### 2. Board of Directors

The Composition of the Board of Directors of the Company is presently governed by the provisions of Companies Act, 2013, the Articles of Association of the Company and the SEBI (LODR) Regulations, 2015. The Board is comprised of 6 Directors, both Executive and Non-Executive and Shri. B.K. Patodia is the Chairman & Managing Director looking after day-to-day operations of the company under the overall guidance of the Board of Directors. None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. None of the person on the Board serving as Managing Director/ Whole-time Director is serving as an Independent Director on the Board of more than 3 listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2025 have been made by the Directors. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

#### a) The Composition of the Board and category of Directors as on 31.3.2025 are as follows:

Category	Name of Directors
Promoter / Managing Director	Shri. B.K. Patodia
Non-Executive / Non independent Director	Smt. Kalpana Mahesh Thakker
	Shri Umang Patodia
Independent Directors	Shri. B.L. Singhal (up to 18.9.2024)
	Shri N. K. Bafna
	Shri. V. N. Balakrishnan
	Shri C. K. Gopalakrishnan Nair

#### b) Attendance of Directors at Board Meetings, last Annual General Meeting and Number of Other Directorships and Chairmanship/ Membership of Committees of each Directors in various Companies:

Name of the Director	DIN No	No. of Equity shares held as on 31.3.2025	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 Member-ships	Other Committee Chairmanships	
Shri. B. K. Patodia	00003516	Nil	6	Present	4	0	None	Relative of Shri. Umang Patodia
Shri.B L Singhal (up to 18.9.2024)	00006433	9,680	2	Present	0	0	2	None
Shri N. K. Bafna	00019372	Nil	6	Present	1	0	0	None
Shri. V. N. Balakrishnan	08820393	270	6	Present	1	2	None	None
Shri C. K. Gopalakrishnan Nair	00521840	Nil	6	Present	1	2	1	None

## REPORT ON CORPORATE GOVERNANCE (Contd...)

Name of the Director	DIN No	No. of Equity shares held as on 31.3.2025	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 Member-ships	Other Committee Chairmanships	
Smt. Kalpana Mahesh Thakker	08601866	100	5	Present	2	None	None	None
Shri. Umang Patodia	00003588	0	6	Present	3	2	None	Relative of Shri. B.K. Patodia

**Notes:**

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

**c) The details of Directorship in other listed entities and category of Directorship:**

S. No.	Name of the Director	Name of other listed entity	Category of Directorship
1.	Shri. B.K.Patodia	PatSpin India Limited	Non-Executive Promoter Chairman
2.	Shri. B.L.Singhal (up to 18.9.2024)	NIL	
3	Shri N. K. Bafna	PatSpin India Limited (up to 18.9.2024)	Non-Executive Independent Director
4	Shri. V. N. Balakrishnan	PatSpin India Limited	Non-Executive Independent Director
5	Shri C. K. Gopalakrishnan Nair	PatSpin India Limited	Non-Executive Independent Director
6	Smt. Kalpana Mahesh Thakker	PatSpin India Limited	Non-Executive Woman Director
7	Shri. Umang Patodia	PatSpin India Limited	Promoter & Managing Director

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

Six 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:

S. No.	Date	Board Strength	No. of Directors present
1.	21 May 2024	7	7
2.	13 August 2024	7	7
3.	26 October 2024	6	6
4.	11 November 2024	6	5
5.	21 December 2024	6	6
6.	10 February 2025	6	6

Board and Audit Committee meetings held on 13.8.2024 were in physical mode. All other meetings in FY 2024-2025 were held through Video Conferencing.

## REPORT ON CORPORATE GOVERNANCE (Contd...)

### e) Disclosure of Relationships between Directors inter-se:

Please refer 2 (b) of the Report.

### f) No. of shares and convertible instruments held by Non-Executive Directors

Please refer 2 (b) of the Report.

### g) Weblink where details of Familiarization program imparted to independent Directors disclosed:

An appropriate induction program for new Directors and ongoing familiarization with respect to the business / working of the company for all directors is a major contributor for meaningful board level deliberations and sound business decisions. The Company has adopted a structured programme for orientation of independent directors at the time of their joining so as to familiarize them with the company's operation, business, industry and environment in which it functions and the regulatory environment applicable to it. The company updates the Board members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and the responsibilities so as to be in a position to take well informed and timely decision and contribute significantly to the company. The Company through its Managing Director / Senior Managerial Personnel makes presentations regularly to the Board, Audit Committee or such other Committees, as may be required, covering, inter-alia, business environmental, business strategies, operations review, quarterly and annual results, budgets, review of internal audit report and action taken, statutory compliance, etc. Policy on Familiarization programme imparted is available on our website [www.gntextiles.com](http://www.gntextiles.com).

### h) Matrix / Table containing skills expertise and competencies of Board of Directors:

The Board members are from diversified areas having the required knowledge i.e Competency, Skills and Experience to effectively discharge their responsibilities. The range of experience of the Board members include in the areas of Spinning Industry, Marketing, Finance, Taxation, Legal and Administration as well as procurement of raw materials. The Broad policies are framed by the Board of Directors. All strategic decisions are taken by the Board after due deliberations between the Board members which consists of Managing Director, Non-Executive Director and Independent Directors. The Company has identified and broadly categorized its core skills, expertise and competencies as mentioned hereunder:

Matrix / Table of Core Skills, Expertise and Competencies of Board of Directors as whole:

Particulars	Detailed list of core skills, expertise and competencies	Name of Directors who have skills, expertise and competence						
		Shri. B.K. Patodia	Shri. B.L. Singhal (up to 18.9.2024)	Shri N. K. Bafna	Shri. V. N. Balakrishnan	Shri. C. K. Gopalakrishnan Nair	Smt. Kalpana M. Thakker	Shri. Umang Patodia
Core Skills	Strategic policy formulation and Advising	✓	✓	✓				✓
	Regulatory framework knowledge	✓	✓	✓	✓	✓	✓	✓
	Financial performance	✓	✓	✓	✓	✓	✓	✓
	Advising on Risk mitigation and Compliance requirements	✓	✓	✓	✓	✓	✓	✓

## REPORT ON CORPORATE GOVERNANCE (Contd...)

Particulars	Detailed list of core skills, expertise and competencies	Name of Directors who have skills, expertise and competence						
		Shri. B.K. Patodia	Shri. B.L. Singhal (up to 18.9.2024)	Shri N. K. Bafna	Shri. V. N. Balakrishnan	Shri. C. K. Gopalakrishnan Nair	Smt. Kalpana M. Thakker	Shri. Umang Patodia
Expertise	Knowledge of Spinning Industry	✓			✓	✓	✓	✓
	Commercial acumen	✓	✓	✓	✓	✓	✓	✓
	Procurement of right quality of raw cotton at competitive prices	✓			✓	✓	✓	✓
Competencies	Strategic Leadership	✓	✓	✓	✓	✓	✓	✓
	Execution of policies framed by the Board	✓	✓	✓	✓	✓	✓	✓
	Identifying the growth areas for expanding the business	✓	✓	✓	✓	✓	✓	✓
	Advising on Business Risks & environment	✓	✓	✓	✓	✓	✓	✓

### i) Confirmation of Board regarding Independent Directors:

Board of Directors confirms that the Independent Directors fulfil the conditions specified in the SEBI (LODR) Regulations, 2015 as amended from time to time and are Independent of the Management.

### j) Separate meeting of Independent Directors

Schedule IV of the Companies Act, 2013, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non-Independent Directors. The meeting of Independent Directors held on 08.03.2025, inter alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, and Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties. In addition to formal meetings, frequent interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

### k) Evaluation of the Board's Performance

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board. The Directors expressed their satisfaction with the evaluation process. The performance evaluation of the Chairman and Managing Director and Non-Independent Directors was carried out by the Independent Directors. The Independent Directors reviewed key transactions (including related party transactions), quality & timeliness of flow of information, recommended measures for corporate governance etc.

## **REPORT ON CORPORATE GOVERNANCE (Contd...)**

### **I) Code of Conduct**

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm semi-annual Compliance of this Code. A declaration signed by the Chairman and Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website [www.gtn textiles.com](http://www.gtn textiles.com)

### **3. Audit Committee**

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015.

#### **A. The role of the audit committee shall include the following**

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for terms of appointment and remuneration of Auditors of the Company;
- (3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- (4) Review with the management and statutory auditors of the annual financial statements thereon before submission to the Board with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any Related Party Transactions;
  - g. Modified opinion(s) in the draft Audit Report;
- (5) Reviewing, with the management the quarterly financial statements before submission to Board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue/rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice / and the report to be submitted by monitoring agency with regard to utilization of proceeds of a public or rights issue, and making appropriate recommendation to company's Board.
- (7) Review and monitor Statutory Auditor's independence and performance and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions with related parties;
- (9) Scrutiny of Inter-Corporate Loans and Investments;
- (10) Valuation of undertakings or assets of the company, wherever it is necessary;
- (11) Evaluation of Internal Financial Controls and Risk Management Systems;
- (12) Review with the Management, Statutory Auditors and the Internal Auditors about the nature and scope of audits and of the adequacy of internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up thereon;

## REPORT ON CORPORATE GOVERNANCE (Contd...)

- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature of scope of audit as well as cost audit discussion to ascertain any area of concern;
- (17) To look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (21) To review the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower, if any
- (22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc on the listed entity and its shareholders:

### **B. The Audit Committee shall also mandatorily review the following information**

- (1) Management Discussion and Analysis of financial condition and results of operations;
- (2) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- (3) Internal Audit Reports relating to internal control weaknesses and;
- (4) the appointment, removal and terms of remuneration of the Chief Internal Auditor
- (5) Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7), if applicable.

### **Internal Audit**

The Company has adequate internal control and Internal Audit System commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

### **Composition and Attendance during the year**

All members of the Committee are financially literate. Shri. B.L.Singhal, Chairman (up to 18.9.2024), Shri. N.K.Bafna, Chairman (effective 19.9.2024), Shri C.K. Gopalakrishnan Nair, Shri V.N. Balakrishnan, Shri B.K. Patodia (up to 18.9.2024) and Shri Umang Patodia (effective 19.9.2024) are members having the relevant accounting and financial management expertise.

The Composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31<sup>st</sup> March, 2025 are as under:

<b>Sl. No.</b>	<b>Name of the Member</b>	<b>Status</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
1.	Shri. B.L. Singhal, Chairman (up to 18.9.2024)	Non-Executive Independent Director	2	2
2.	Shri. N.K. Bafna, Chairman (wef 19.9.2024)	Non-Executive Independent Director	6	6
3.	Shri. V.N. Balakrishnan	Non-Executive Independent Director	6	6

## REPORT ON CORPORATE GOVERNANCE (Contd...)

Sl. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
4.	Shri C.K. Gopalakrishnan Nair	Non-Executive Independent Director	6	6
5.	Shri B.K. Patodia (up to 18.9.2024)	Managing Director	2	2
6.	Shri. Umang Patodia (w.e.f 19.9.2024)	Non-Executive Director	4	4

The Audit Committee met six (6) times during the financial year 2024-25 and the gap between two meetings did not exceed 120 days. The dates on which Audit Committee Meetings held were: 21<sup>st</sup> May 2024, 13<sup>th</sup> August 2024, 26<sup>th</sup> October 2024, 11<sup>th</sup> November, 2024, 21<sup>st</sup> December 2024, and 10<sup>th</sup> February, 2025. Required quorum was present at the above meetings.

The Audit Committee meetings are usually attended by the Managing Director, Chief Executive, CFO, Head of Finance and the respective departmental heads, wherever required. The Company Secretary acts as the Secretary of the Audit Committee. The Statutory Auditors, Internal Auditors as well as other Board Members also attended the Audit Committee meetings by invitation. All the recommendations of the Audit Committee have been accepted by the Board of Directors. During the year, the Audit Committee reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

### Internal Audit and Control:

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

### Prevention of Insider Trading:

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time ("the PIT Regulations"). The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Persons who are expected to have access to unpublished price sensitive information relating to the Company. The code lays down guidelines which included procedures to be followed and disclosures to be made while dealing with the shares of the Company. The Audit Committee monitors implementation and compliance of the Company's Code of Conduct and Shri. E.K. Balakrishnan, Vice President (Corporate Affairs) and Company Secretary is the Compliance Officer of the Company. The Code is displayed on the Company's website viz. [www.gntextiles.com](http://www.gntextiles.com)

### Vigil Mechanism:

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle blower Policy is displayed on the Company's website viz. [www.gntextiles.com](http://www.gntextiles.com)

### 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The composition of the Nomination and Remuneration Committee and the details of the meetings attended by its members during the financial year ended 31<sup>st</sup> March, 2025 are as under:

## REPORT ON CORPORATE GOVERNANCE (Contd...)

Sl. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1.	Shri. B.L. Singhal, Chairman (up to 18.9.2024)	Non-Executive Independent Director	0	0
2.	Shri. N.K. Bafna, Chairman (wef 19.9.2024)	Non-Executive Independent Director	1	1
3.	Shri. V.N. Balakrishnan	Non-Executive Independent Director	1	1
4.	Shri. C.K. Gopalakrishnan Nair	Non-Executive Independent Director	1	1

During the year under review, the Committee met on 08.03.2025.

Role of Committee shall, inter-alia include the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (1A) For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and also on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as Independent Director shall have the capabilities referred identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (6) Recommend to the board, all remuneration, in whatever form, payable to senior management.

The remuneration policy is in consonance with the existing industry practice and also with the provisions of Companies Act. The Committee also evaluated performance of the entire Board as per Regulation 19 of the SEBI (LODR), Regulations 2015.

### Remuneration to the Managing Director

The aggregate of salary and perquisites paid for the year ended 31<sup>st</sup> March, 2025 to Shri. B.K. Patodia, Managing Director is ₹ 41.98 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.

The Committee also met on 05.08.2025 and approved (i) appointment of Shri Umang Patodia (DIN: 00003588), as Managing Director for a period of five years w.e.f 06.08.2025 to 05.08.2030 and also fixed remuneration for a period of three years from 06.08.2025 till 05.08.2028 (ii) re-appointment of Shri N.K. Bafna (DIN:00019372) and Shri C.K. Gopalakrishnan Nair (DIN: 00521840) for their second term tenure of five consecutive years from the conclusion of 20<sup>th</sup> Annual General Meeting till 25<sup>th</sup> Annual General Meeting and (iii) re-appointment of Smt Kalpana Mahesh Thakker, Director retire by rotation basis.

## REPORT ON CORPORATE GOVERNANCE (Contd...)

The remuneration package approved by the Nomination & Remuneration Committee to Shri Umang Patodia, Managing Director is given under:

**a) Salary:**

₹ 3,00,000/- per month in the Scale ₹ 300000– ₹ 10000– ₹ 320000 for period from 06.08. 2025 to 05.08.2028.

**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 ₹ 60 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 appointee's 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.

Since Shri. Umang Patodia is holding position of Managing Director in two companies, the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the company of which he is a managerial person.

Furthermore, 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 allowance as specified above in the event of absence or inadequacy of profits in any financial year during the tenure of Shri Umang Patodia as Managing Director of the Company.

## REPORT ON CORPORATE GOVERNANCE (Contd...)

### 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 is as under;

Meeting	Amount (in ₹)
Board	7500
Committee	5000

The Fee paid for the year ended 31<sup>st</sup> March, 2025 to the Non-Executive Directors is as under:

Name of the Non-Executive Director	Sitting fee (₹)
Shri B L Singhal (up to 18.9.2024)	25000
Shri. N K Bafna	90000
Shri.V N Balakrishnan	90000
Shri.C K Gopalakrishnan	90000
Smt. Kalpana Mahesh Thakker	37500
Shri Umang Patodia	70000
<b>Total</b>	<b>402500</b>

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.

### 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

Pursuant to provisions of Section 178(5) of the Act read with Regulation 20 of the Listing Regulations, Stakeholders Relationship Committee of the Board of Directors has been constituted.

The role of the committee shall inter-alia include the following

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- (5) Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants

The Committee was chaired by Shri B.L.Singhal up to 18.9.2024. Effective 19.9.2024 Shri N K Bafna is the Chairman and Shri. C.K. Gopalakrishnan Nair, Shri. V.N. Balakrishnan and Shri. Umang Patodia are the members.

## REPORT ON CORPORATE GOVERNANCE (Contd...)

The composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members during the financial year ended 31<sup>st</sup> March, 2025 are as under:

Sl. No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1.	Shri. B.L. Singhal, Chairman (up to 18.9.2024)	Non-Executive Independent Director	0	0
2.	Shri. N.K. Bafna, Chairman (wef 19.9.2024)	Non-Executive Independent Director	1	1
3.	Shri. V.N. Balakrishnan	Non-Executive Independent Director	1	1
4.	Shri. C.K. Gopalakrishnan Nair	Non-Executive Independent Director	1	1
5.	Shri. B.K. Patodia (up to 18.9.2024)	Managing Director	0	0
6.	Shri. Umang Patodia (wef 19.9.2024)	Non-Executive Director	1	1

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

The details of correspondences / grievances received and redressed during FY 2024-25 through the Registrar M/s. Integrated Registry Management Services Pvt. Ltd. are as under:

Sl. No.	Particulars	No. of Complaints
1.	Investor Correspondence / Complaints pending at the beginning of the year	Nil
2.	Investor Correspondence / Complaints received during the year	Nil
3.	Investor Correspondence / Complaints disposed during the year	Nil
4.	Investor correspondence / complaints remaining unresolved at the end of the year	Nil

Since compliance pursuant to clause 40(9) of the SEBI (LODR), Regulations 2015 was omitted by the SEBI (LODR) (Third Amendment) Regulations, 2024 w.e.f. 13.12.2024, no yearly certificate submitted.

### Corporate Social Responsibility (CSR)

As per the provisions of Section 135 read with the Section 198 of the Companies Act 2013, the company do not have CSR obligation for the year 2024-25. Accordingly, there has been no meeting of CSR Committee held during the year under review

### Senior Management

Senior Management includes Managing Director, Head - Finance, Chief Financial Officer, Company Secretary and Heads of Department viz; Finance & Accounts, Human Resources, Information & Technology, Marketing & Logistics and Corporate Affairs.

There is no change since the close of the financial year.

### 6. Disclosures:

#### Basis of Related Party Transactions

All transaction entered into by the Company with related parties, during FY 2024 – 25, were in ordinary course of business and on arm's length basis. The Company has formulated a framework for Related Party Transactions as displayed on the Company's website [www.gtn textiles.com](http://www.gtn textiles.com) which is followed for identifying, entering into and monitoring related party transactions. The deviations, if any, to the said process have been brought to the attention of Audit Committee suitably. The Audit Committee reviews on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the approval granted. The Company has obtained Shareholders approval to enter into Related Party Transactions.

## **REPORT ON CORPORATE GOVERNANCE (Contd...)**

### **Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

### **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.

### **Details of preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of the Listing Regulations**

The Company has not raised funds through preferential allotment or Qualified Institutional Placement during the year under review.

### **Credit Rating**

Company has fully repaid all its bank dues and as on date there are no bank borrowings, hence no External credit rating sought.

### **Annual Secretarial Compliance**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretary under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year. The Company has engaged Shri. MRL Narasimha, Practicing Company Secretary, Coimbatore as Secretarial Auditor of the company for providing the above Certificate and the same has been Submitted to Stock Exchange within prescribed time limit

### **Certificate from Practicing Company Secretary**

Certificate as required under Part C of Schedule V of Listing Regulations, received from Shri. MRL Narasimha, Practicing Company Secretary, Coimbatore, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority has been annexed to this Report.

### **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report have not been included separately in the Annual Report to the shareholders, as explained in Board's Report.

### **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. The said Report is filed with the Stock Exchange on quarterly basis and is also available on Company website at [www.gtntextiles.com](http://www.gtntextiles.com)

### **Means of communication and shareholders information**

- (i) The quarterly, half-yearly and annual Financial results of the Company are published in two newspapers viz. BUSINESS STANDARD [National Daily] and DEEPIKA [Regional News Paper] and displayed on company's website [www.gtntextiles.com](http://www.gtntextiles.com)
- (ii) The Annual Report of the Company for the financial year 2024-25 will be emailed to the members whose email addresses are available in the depositories as per Section 136 of the Companies Act, 2013 and Regulation 36 of SEBI (LODR), Regulations 2015. For other members, who have not registered their e-mail addresses, are requested to register their email id at the earliest and ask for the soft copy of the annual report in accordance with General Circular No. 20/2020 dated 5<sup>th</sup> May 2020 issued by Ministry of Corporate Affairs (MCA) and the Circular No. SEBI / HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 issued by SEBI, Company is not printing copies of the Annual Report. The annual report is available on the company's website.

## REPORT ON CORPORATE GOVERNANCE (Contd...)

### (iii) Compliance relating to matters related to Capital Markets, SEBI (LODR) Regulations 2015

The Company has complied with all the requirements of the Stock Exchange (BSE) and SEBI on matters relating to Capital Markets, SEBI (LODR) Regulations 2015 and other applicable Regulations issued by SEBI. However, BSE vide their email dated 21.11.2024 communicated non-compliance under Regulation 20(2)/ (2A) of SEBI LODR Regulations 2015 for quarter ended September 30, 2024 and levied a fine of ₹ 28,320. Company communicated that Shri B.L. Singhal, Chairman completed his second term tenure on 18.9.2024 and effective from 19.9.2024, Shri N K Bafna Independent Director took Chairmanship vide Board's approval dated 13.8.2024. BSE then vide email dated 27.11.2024 advised the Company to apply for waiver of fine at a payment of processing fee of ₹ 11800. The Company applied for waiver of the fine on 29.11.2024 and the same is pending with BSE.

### (iv) Confirmation pursuant to Regulation 26 (6) of Listing Regulation

In accordance with the provisions of Regulation 26 (6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Employees including Senior Management Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

## 7. MD and CFO Certification

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

## 8. Compliance on Corporate Governance

The quarterly compliance report has been submitted to BSE Ltd. in the requisite format duly signed by the compliance officer. Pursuant to Regulation 27 of SEBI (LODR) Regulations, 2015, the Practicing Company Secretary's certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

## 9. General Body Meetings:

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

Year	Location	Date	Day	Time	Whether any Special Resolution passed in previous AGM
2023-24	Registered Office of the company through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	12.9.2024	Thursday	11.30 AM	(1) Approval under Section 185 of the Companies Act, 2013 w.r.t loan to be given to M/s Patspin India Ltd (2) Approval under Section 186 of the Companies Act, 2013 w.r.t loan to be given to M/s Patspin India Ltd
2022-23	-do-	29.9.2023	Friday	12.15 PM	(1) Shifting of Company's registered office from Door No. VIII/911 Erumathala Post, Aluva, Ernakulam - 683105 to 6 <sup>th</sup> Floor, Palal Towers, MG Road, Ravipuram, Ernakulam, Kochi-682016 (2) To fix remuneration of Shri. B.K. Patodia (DIN: 00003516), Chairman & Managing Director of the Company,

## REPORT ON CORPORATE GOVERNANCE (Contd...)

Year	Location	Date	Day	Time	Whether any Special Resolution passed in previous AGM
2021-22	-do-	30.09.2022	Friday	12.15 PM	Sale / lease / transfer / assign or otherwise dispose of the whole, or substantially the whole of the undertaking including disposal of land, building and plant & machinery either together or separately in piecemeal, situated at Erumathala PO, Keezhumad Village, Aluva 683112, Ernakulam District, Kerala State

### B. Whether any special resolution passed last year through postal ballot – Yes

If yes, details of voting pattern :

Description of resolution	Votes in favour of the Resolution			Votes against the Resolution			Invalid Votes	
	No. of members voted	No. of valid votes cast (shares)	% of total number of valid votes cast	No. of members voted	No. of valid Votes cast (shares)	% of total number of valid votes cast	Total No. of members whose votes were declared invalid	Total No. of invalid votes cast (shares)
To lend up to ₹ 400 Lakhs to Associate Company M/s Patspin India Ltd.	186	225541	96.56	10	8015	3.43	-	-

The Ordinary Resolution was passed with requisite majority.

- D. Person who conducted the postal ballot exercise – Shri MRL Narasimha, FCS, Practising Company Secretary
- E. Whether any special resolution is proposed to be conducted through postal ballot ? – No
- F. Procedure for postal ballot – N.A.

### 10. Compliance in respect of non-mandatory requirements

#### a) The Board

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

#### b) Shareholder Rights

The Company's quarterly and half yearly results are published in the Newspaper and also uploaded on its website [www.gtntextiles.com](http://www.gtntextiles.com). Therefore, no individual communication is sent to shareholders on the quarterly and half yearly financial results. However, if requested, the Company provides the same to them individually.

#### c) Audit Qualifications

During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.

#### d) Reporting of internal Auditor

The Internal Auditor participates in the meetings of the Audit Committee of the Board of Directors and presents his internal audit observations to the Committee.

## REPORT ON CORPORATE GOVERNANCE (Contd...)

### e) Total fees for all services paid by the listed entity to the statutory auditor

Total Fees paid to Statutory Auditors is ₹ 2.95 Lakhs.

### f) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

The listed entity has no material subsidiaries. However, the Company has an Associate Company, M/s Patspin India Ltd.

### Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment. During the year under review, the company has not received any complaint in this regard.

## 11. General Shareholder information:

### I) Annual General Meeting:

a.	Date and Time	Monday, 29 <sup>th</sup> September 2025 at 11.30 AM
b.	Venue	The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated 13 <sup>th</sup> January 2021 and as such there is no requirement to have a venue for the AGM
c.	Book closure date	Wednesday 24 <sup>th</sup> September 2025 to Monday 29 <sup>th</sup> September 2025
	Financial calendar (tentative):	
	Annual General Meeting	Monday, 29 <sup>th</sup> September 2025
	Results for quarter ended 30 <sup>th</sup> June, 2025	5 <sup>th</sup> August 2025
	Results for quarter ending 30 <sup>th</sup> Sept., 2025	On or before 14 <sup>th</sup> November, 2025
	Results for quarter ending 31 <sup>st</sup> Dec., 2025	On or before 14 <sup>th</sup> February, 2026
	Results for Year ending 31 <sup>st</sup> March, 2026	On or before 30 <sup>th</sup> May, 2026

### II) Listing

a)	Listing of Equity Shares on Stock Exchanges at	:	BSE Limited (BSE). Scrip Code No: 532744
b)	Listing Fee	:	Annual Listing fee for the year 2025-26 have been duly paid to the Stock Exchange within prescribed time limit.
	Demat ISIN Nos. in NSDL and CDSL for Equity Shares	:	INE302H01017

Registrar and Transfer Agents (Share Transfer and communication regarding Share Certificates, Dividends and change of Address)	M/s Integrated Registry Management Service Private Ltd 2 <sup>nd</sup> Floor, Kences Towers, No. 1, Ramakrishna Street, T Nagar, Chennai - 600 017 Tel: 044 28140801-803 E-Mail : csstd@integratedindia.in
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### III) Share Transfer Process

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer

## REPORT ON CORPORATE GOVERNANCE (Contd...)

of listed securities shall not be processed unless the securities are held in dematerialized form with a Depository. This will inter alia, bring benefits viz; (i) it shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities and (ii) transfer of securities only in demat form will lead to ease convenience and safety of transactions for investors. The Company has stopped accepting any transfer requests for securities held in physical form with effect from the said date. During the year, the Company accepted those transfer requests pertaining to securities held in physical form which were lodged for transfer before April 1, 2019 and were returned due to discrepancies. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the company. In view of the aforesaid amendment and in order to eliminate the risks associated with the physical holding of shares, members who are holding shares in physical form are hereby requested to dematerialize their holdings.

### IV) Shareholding pattern and distribution on Shareholding of the Company:-

#### (a) Shareholding pattern as on 31<sup>st</sup> March, 2025:

Sl.No.	Category	No of shares (Issued Equity)	%
1	Promoters & Associates	7375739	63.36
2	Indian Financial Institutions, Banks, Mutual Funds	56597	0.49
3	Foreign Institutional Investors / NRIs	136802	1.18
4	Others	4071340	34.97
	<b>Total</b>	<b>11640478</b>	<b>100.00</b>

#### (b) Distribution of Shareholding as on 31.03.2025:

Sl. No.	No.of Shares Held	No. of Shareholders	% of Shareholder	No. of Shares	% of Shareholding
1	Upto 100	12095	82.1113	399364	3.4308
2	101 - 500	1692	11.4868	468229	4.0224
3	501 - 1000	417	2.8310	347811	2.9879
4	1001 - 10000	468	3.1772	1497322	12.8631
5	10001 - 100000	45	0.3055	1024371	8.8001
6	ABOVE 100000	13	0.0883	7903381	67.8957
	<b>Total</b>	<b>14730</b>	<b>100.00</b>	<b>11640478</b>	<b>100.00</b>

**Outstanding GDRs / ADRs / Warrants or any Convertible instruments - NA**

**Communication sent to Physical Shareholders in compliance with SEBI Guidelines**

The Company in terms of circular issued by SEBI from time to time with respect to Updation of PAN and Bank details, mandating transfer of securities only in electronic form effective from 1<sup>st</sup> April, 2019, has communicated to the shareholders through notice of each Annual General Meetings as well as separate communication letters informing shareholders of the Company holding equity shares in physical mode to furnish their PAN, KYC, Nomination Details etc., to the Registrars and Share Transfer Agent of the Company ie M/s Integrated Registry Management Service Private Ltd, 2<sup>nd</sup> Floor, Kences Towers, No. 1, Ramakrishna Street, T Nagar, Chennai 600 017 Tel: 044 28140801-803. The Company website also hosts Form ISR-1 KYC, Form ISR-2, Form SH 13 etc which can be downloaded by Shareholders.

**Share Transfer to Investor Education and Protection Fund Account (IEPF) where the dividend is unpaid or unclaimed for seven or more consecutive years**

In terms of Section 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Investor Education and Protection Fund (IEPF) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus,

## REPORT ON CORPORATE GOVERNANCE (Contd...)

dividend etc.), if any, accruing on such shares shall also be credited to such IEPF and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to IEPF can be claimed back by the shareholders from Investors Education and Protection Fund Authority (IEPFA) by following the procedure prescribed under the aforesaid rules.

The company last declared dividend in FY 2007-08, thereafter no dividend was declared. The Company had sent letters to all the concerned Members and also published notice in newspaper three months before the due date asking them to claim their dividend amount to avoid transfer of the said unclaimed dividend and respective shares to IEPF. Accordingly, 202133 equity shares of the face value of ₹ 10 each for 7868 folios in respect of which dividend was not encashed for seven consecutive years were transmitted to Investor Education and Protection Fund (IEPF) Authority on 31<sup>st</sup> December 2019. The above mentioned shares were transmitted pursuant to requirement under section 124 of the Companies Act, 2013 read with Rule 6 of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

### **Nodal Officer**

Company Secretary is the Nodal Officer & Chief Financial Officer is the Deputy Nodal Officer for the purpose of co-ordination with the IEPF Authority to ensure processing and verification of claim of the shareholders in a time bound manner.

### **V) Dematerialization of shares and Liquidity:**

97.99% of equity shares of the company have been dematerialized (NSDL 74.16% and CDSL 23.83%) as on 31<sup>st</sup> March, 2025. The company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited whereby shareholders have an option to dematerialize their shares with either of the depositories.

### **VI) Plant Locations – NA**

### **VII) Liquidity of shares:**

The shares of the Company are actively traded in BSE Limited (BSE).

### **VIII) Address for communication**

<b>Investor Correspondence:-</b>		
i) 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 Registry Management Service Private Ltd. 2 <sup>nd</sup> Floor, Kences Towers, No. 1, Ramakrishna Street, T Nagar, Chennai 600 017 Tel: 044 28140801-803 E-Mail : <a href="mailto:corpserv@integratedindia.in">corpserv@integratedindia.in</a>
	b)	For share held on Demat form:-  To the Depository Participants.
(ii) Any query on Annual Report		Secretarial Department GTN TEXTILES LIMITED 5 <sup>th</sup> Floor, Palai Towers, M G Road, Ravipuram, Ernakulam, Kochi – 682 016 E-Mail: <a href="mailto:cs@gtntextiles.com">cs@gtntextiles.com</a>

### **IX) Compliance Certificate from the Practicing Company Secretary**

Compliance Certificate from Practicing Company Secretary regarding compliance of corporate governance is annexed to this report as stipulated in the SEBI (LODR) Regulations, 2015.

## REPORT ON CORPORATE GOVERNANCE (Contd...)

### X) Details with respect to Demat Suspense Account/Unclaimed Suspense Account as per Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Particulars	DEMAT Shareholders		Physical Shareholders	
	No of Shareholders	No. of equity shares	No. of Shareholders	No. of equity Shares
Aggregate no. of shareholders and the outstanding shares in the suspense account lying as on April 1, 2024	NIL	NIL	NIL	NIL
Number of shareholders who approached the Company for transfer of shares from suspense accounts during the year	-	-	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	-	-	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	NIL	NIL	NIL	NIL

## **DECLARATIONS**

### **Compliance with the Code of Business Conduct and Ethics**

As provided under Regulation 26(3) of the SEBI (LODR) Regulations, 2015, all the Board members and Senior Management Personnel have affirmed compliance with GTN TEXTILES LIMITED Code and Ethics for the year ended 31<sup>st</sup> March, 2025.

For **GTN TEXTILES LIMITED**

Place : Mumbai  
Date : 05.08.2025

**B.K. PATODIA**  
Chairman & Managing Director  
(DIN 00003516)

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## **CEO/CFO CERTIFICATION**

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

- a. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2025 and that to the best of our knowledge and belief, we state that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal, or violation of the Company's Code of Conduct
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

For **GTN TEXTILES LIMITED**

**B.K. PATODIA**

Chairman & Managing Director  
(DIN 00003516)

**M. ACHUTHAN**

Chief Financial Officer

Place: Mumbai

Date: 05.08.2025

Place: Kochi

Date: 05.08.2025

## **CERTIFICATE**

Based on my verification of books, papers, forms and returns filed and other records maintained by GTN TEXTILES Limited ("The Company"), and also the information provided by its officers, agents and authorized representatives during the conduct of secretarial audit of the Company, I hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such authority as on 31<sup>st</sup> March, 2025.

**MRL Narasimha**

Practicing Company Secretary

M.No.2851 CP. No:799

PR No. 1420/2021

Place: Coimbatore

Date: 05.08.2025

UDIN: F002851G000932285

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## **CERTIFICATE ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31.3.2025**

To

**The Members of M/s. GTN TEXTILES LIMITED**

Dear Sir,

I have examined the compliance conditions of corporate governance by M/s. GTN TEXTILES LIMITED ("the Company") for the financial year ended 31<sup>st</sup> March, 2025 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the directors and management, I certify that the company has complied with the conditions of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subject to Reg 20 (1), 30 (6) ii of LODR, 2015

I further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**MRL Narasimha**

Practicing Company Secretary

M.No. 2851

COP :- 799

PR No.1420/2021

Place: Coimbatore

Date: 05/08/2025

UDIN: F002851G000932296