

REF : AR: NSE 2016-17

Date : 30th Aug, 2017

To

THE NATIONAL STOCK EXCHANGE OF INDIA LTD
Exchange Plaza, 5th Floor, Plot No.C/1,
G-Block, Bandra Kurla complex, Bandra (E)
MUMBAI - 400 051

Dear Sir,

Sub: In compliance of Regulation 34(1) of SEBI (LODR) Regulation, 2015- Annual Report-2016-17

Ref: Company Scrip Code: 500170/GTN IND.

In compliance of Regulation 34(1) of SEBI (LODR) Regulation, 2015, *we enclose* a copy of 55th Annual Report containing Notice to Shareholders, Directors Report and Annual Financials along with e-voting form & proxy for the forth coming Annual General Meeting of the Company which will be held on 29th September, 2017 at 9.30 A.M. at the Registered Office of the Company.

This is for your information and record.

Thanking you,

Yours faithfully,

For **GTN INDUSTRIES LIMITED**


(P. Prabhakara Rao)

Company Secretary

Encl: a/a



GTN INDUSTRIES LIMITED

55th ANNUAL REPORT
2016-17



GTN INDUSTRIES LIMITED

Board of Directors

Mr. M.K.Patodia	Chairman & Managing Director
Mr. B.L.Singhal	Independent Director
Mr. M.R.Vikram	Independent Director
Mrs. Rajul Kothari	Independent Woman Director
Mr. C.George Joseph	Non-Executive Director

Chief Financial Officer

Mr.C.R.Gang

Company Secretary & Compliance Officer

Mr. Prabhakara Rao

Institution / Bankers

Central Bank of India
State Bank of India
IDBI Bank Ltd.,
Export-Import Bank of India
(Exim Bank)

Auditors

Lodha & Co.,
Chartered Accountants, Mumbai

Registered Office

Chitkul Village, Patancheru Mandal
Medak District – 502 307
Telangana

Corporate Office

Plot No.29, Nagarjuna Hills
Punjagutta, Hyderabad – 500 082
Telangana

CIN No.: L18101TG1962PLC054323

Website: www.gtnindustries.com

Email : shareddept@gtnindustries.com

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NOTICE

Notice is hereby given that the **55th** Annual General Meeting of **GTN INDUSTRIES LIMITED** will be held at the Registered Office of the Company at Chitkul Village, Patancheru Mandal, Medak District - 502307, Telangana at 9.30 A.M. on Friday the 29th day of Sep, 2017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss account for the year ended on that date together with the Reports of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri C.George Joseph (DIN. 00309739), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Statutory auditors and fix their remuneration and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) M/s. Bagaria & Co., LLP., Chartered Accountants, Mumbai, Registration No.113447W/W-100019 be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (Five) consecutive years from the conclusion of the 55th Annual General Meeting of the Company, subject to ratification by members as to the said appointment at every Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61 and 62 of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force)

and all other applicable provisions, if any, and subject to the approval of the resolution by the Shareholders to increase the Preference Authorized Share Capital of the Company from Rs.45,00,00,000 (Rupees Forty Five Crores Only) divided into 45,00,000 (Forty Five lakhs) Preference shares of Rs.100/- (Rupees One Hundred) each to Rs.60,00,00,000 (Rupees Sixty Crores Only) divided into 60,00,000 (Sixty lakhs) Preference shares of Rs.100/- (Rupees One Hundred) and consequently the respective Capital Clause V in the Memorandum of Association of the Company do stand altered accordingly as follows:

The Authorized Share Capital of the Company is Rs.80,00,00,000 (Rupees Eighty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupees Ten) each aggregating to Rs.20,00,00,000 (Rupees Twenty Crores Only) and 60,00,000 (Sixty lakhs) Preference shares of Rs.100/- (Rupees One Hundred) each aggregating to Rs.60,00,00,000 (Rupees Sixty Crores Only) with the power to the Company to increase and reduce the capital for the time being into several classes and attach thereto respectively such preferential or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Companies Act, 2013 and to vary, modify or abrogate any such rights, privileges and conditions in such manner as may be for the time being provided by the regulations of the Company."

5. To consider, and if thought fit, to pass with or without modification the following Resolution as a Special Resolution.

"RESOLVED THAT in order to reflect the increase in authorized share capital of the Company, and in order to conform to the requirements of the Companies Act, 2013, the consent of the Board is hereby accorded to amend the existing Article 5 of the Articles of Association of the Company with the following:

The Authorized Share Capital of the Company is Rs.80,00,00,000 (Rupees Eighty Crores Only) divided into 2,00,00,000 (Two Crores) Equity

NOTICE (Contd.,)

Shares of Rs.10/- (Rupees Ten) each aggregating to Rs.20,00,00,000 (Rupees Twenty Crores Only) and 60,00,000 (Sixty lakhs) Preference shares of Rs.100/- (Rupees One Hundred) each aggregating to Rs.60,00,00,000 (Rupees Sixty Crores Only) with the power to the Company to increase and reduce the capital for the time being into several classes and attach thereto respectively such preferential or special rights, privileges or conditions as maybe determined by or in accordance with the regulations of the Companies Act, 2013 and to vary, modify or abrogate any such rights, privileges and conditions in such manner as may be for the time being be provided by the regulations of the Company.”

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1) (c), Section 42 and Section 55 of the Companies Act, 2013 read with Companies (Prospectus & Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereto or re-enactments thereof for the time being in force) and the provisions of any rules/regulations / guidelines issued / framed by the Central Government the consent of the Company be and is hereby given to the Board of Directors of the Company to offer, issue, and allot up to 15,00,000 Non-cumulative Redeemable Preference shares of Rs.100/- (Rupees One Hundred) each aggregating to Rs.15,00,00,000 (Rupees Fifteen Crores only) with a coupon rate 0.01% on private placement basis to Promoters Group / Associates companies in one or more tranches subject to such terms and conditions as may be decided by the Board.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid special resolution the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things as it may deem fit and appropriate and give such directions/ instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue, allotment of the said shares.”

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, including any statutory modifications or re-enactments thereof for the time being in force, remuneration of Rs. 2.00 lacs and out-of-pocket expenses as may be authorized by the Board payable to M/S. STR Associates, Cost Accountants, Trichy who were appointed by the Board of Directors of the Company to conduct the cost audit for the financial year ending March 31, 2018.”

By order of the Board
For GTN Industries Limited

(P.Prabhakara Rao)
**Company Secretary &
Compliance Officer**

Place : Hyderabad
Date : 24th Aug, 2017

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/herself and the proxy need not be a member of the Company. The proxy form duly filled in should be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
2. An Explanatory statement pursuant to section 102(2) 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. Register of Members and Share Transfer Books will remain closed from 25th Sept, 2017 to 29th Sept, 2017 (both days inclusive).
4. Keeping in view the requirements set out in the Act, the Audit Committee and Board of Directors of the Company have recommended appointment of Baradia & Co., LLP, Chartered Accountants Mumbai (ICAI Registration No.113447W/W-100019) as auditors of the Company for a term of 5 (Five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of sixth Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company. This first year of Audit by the aforesaid Auditors' will be of the financial statement of the Company for the financial year ending March, 2018.

NOTICE (Contd.,)**5. Details of Director(s) retiring by rotation and seeking re-appointment**

In Pursuance Regulation 36 (3) of the SEBI (Listing obligations and disclosure) Regulations, 2015.

Name of the Director	Shri C. George Joseph
Date of Birth	2 nd February, 1950
Date of Appointment	28 th January, 2010
Qualification	Engineering Graduate (B.Tech)
Expertise in specific Functional Area	He is having experience in spinning and textile projects over a period of 30 years
Details of other Directorship	GTN Engineering (India) Ltd
Details of other Committee and Membership status	<u>GTN Engineering (India) Ltd</u> : Audit Committee - Member

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**Item No. 4&5****Alteration of authorized share capital and change in capital clause of Memorandum of Association**

In order to enable the Company to raise additional finance by issue of redeemable preference shares since the existing Authorised Share Capital may not be sufficient for the purpose. It is therefore considered necessary to increase the Authorised Share Capital of the Company to the extent mentioned in item No.4 & 5 of the Notice, with the consequential alterations in the Capital Clauses of the Memorandum of Association of the Company as set out in the Notice.

The present Authorised Share Capital of the Company is Rs.65,00,00,000 (Rupees Sixty Five Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupees Ten) each aggregating to Rs. 20,00,00,000 (Twenty Crores only) and 45,00,000 (Forty Five lakhs) Preference shares of Rs. 100/- (Rupees One Hundred) each aggregating to Rs.45,00,00,000 (Rupees Forty Five Crores Only).

It is proposed to increase the authorized share capital to Rs.80,00,00,000 (Rupees Eighty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupees Ten) each aggregating to Rs.20,00,00,000 (Rupees Twenty Crores Only) and 60,00,000 (Sixty lakhs) Preference shares of Rs.100/- (Rupees One Hundred) each aggregating to Rs.60,00,00,000 (Rupees Sixty Crores Only).

The above subsequent increase in Authorised Share Capital when approved would require certain consequential amendments in clause V of the Memorandum and Clause 5 of Articles of Association of the Company.

The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for increase in the Authorised Share Capital and for the alteration of Capital Clause of the Memorandum and Articles of Association and accordingly the Board recommends the relevant resolutions for the approval of the Members.

The proposed new draft of Memorandum & Articles of Association is available for inspection to the shareholders at the registered office of the company on all working days (except Sundays and Public Holidays) between 11.00 A.M to 1.00 P.M till the date of the meeting.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business.

The Board recommends this Resolution for your Approval.

Item No. 6

Issue of 15,00,000 Non-cumulative Redeemable Preference Shares of Rs.100/- each aggregating to Rs.15,00,00,000/- (Rupees Fifteen Crores only) with a coupon rate 0.01% on Private Placement Basis:

The Board of Directors in their Meeting held on 24th Aug, 2017 subject to necessary approval(s), have approved the proposal for raising funds up to Rs.15,00,00,000/- (Rupees Fifteen Crores only) by way of issue of 0.01% Non-cumulative Redeemable Preference Shares on private placement basis to the promoters Group/ Associate Companies, in order to increase and strengthen the capital base of the company and to meet working capital requirements and general corporate purposes.

GTN INDUSTRIES LIMITED**NOTICE (Contd.,)**

The applicable information as required under Rule 13 of Companies (Share Capital & Debenture) Rules, 2014 as amended are:

1. Object of the Issue: To strengthen the capital base of the company and to meet working capital requirements and general corporate purposes.
2. Total number of shares to be issued :Upto 15,00,000 (Fifteen lacks only) with a coupon rate of 0.01% Non-cumulative Redeemable Preference shares.
3. Price at which the allotment is proposed: Rs.100/- each.
4. Class of persons to whom the allotment is proposed to be made: Group/Associate companies
5. Intention of promoters/directors/Key management personnel to subscribe to the preferential issue:

One or more Group/Associate Companies have intended to subscribe to Non- cumulative Redeemable Preference shares proposed to be issued. The existing promoters will continue to remain in the management of the company and there is no change in management or control. Further, the composition of present Board of Directors is not expected to undergo any change due to enhancement of preference share capital.
6. Proposed time within which the private placement shall be completed: The company proposes to complete the private placement within 36 months of passing this resolution in one or more trenches.
7. Names of the Proposed Allottees and percentage of post preferential offer capital held by them:

Sl.No	Name of proposed Allottees	Category	Existing holding		Post Preferential holding including existing un-allotted preference shares (assuming full subscription)	
			No. of Preference Shares	Percentage of Share holding	No. of Preference Shares	Percentage of Share holding
1	GTN Engineering (India) Ltd	Associate	26,00,000	89.66	55,85,000	93.08
2	JEL Fin. & Inv. Ltd	Associate	3,00,000	10.34	3,00,000	5.00
3	Emkaypee Inv.Pvt.Ltd	Associate	-	-	90,000	1.50
4	Megha Inv.Pvt. Ltd	Associate	-	-	25,000	0.42

8. Change in control , if any, in the company occurring consequent to preferential offer: **None**
9. Number of persons to whom allotment on preferential basis has already been made during the year: **Two**
10. The pre Issue and post Equity shareholding pattern of the company before and after the private placement is as under:

NOTICE (Contd.,)

Sl. No	Category	Pre - Issue		Post – Issue	
		No of Shares	Percentage of Shareholding	No of Shares	Percentage of Shareholding
A	Promoters' Holding				
1	Indian :				
	Individual	3613149	20.60	3613149	20.60
	Bodies Corporate	9425679	53.74	9425679	53.74
	Sub Total	13038828	74.34	13038828	74.34
2	Foreign Promoters	Nil	Nil	Nil	Nil
	Sub Total (A)	13038828	74.34	13038828	74.34
B	Non-Promoters' Holding				
1	Institutional Investors	49573	0.29	49573	0.29
2	Non Institutions				
	Private Corporate Bodies	328609	1.87	328609	1.87
	Directors and Relatives	12330	0.07	12330	0.07
	Indian Public	3962424	22.58	3962424	22.58
	Others (including NRIs)	148614	0.85	148614	0.85
	Sub Total (B)	4501550	25.66	4501550	25.66
	Grand Total (A+B)	17540378	100.00	17540378	100.00

Section 62 of the Companies Act, 2013 provides inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, etc., such further shares shall be offered to the existing shareholders of the company in the manner laid down in the section. Therefore, consent of the shareholders by way of Special Resolution is being sought pursuant to the provisions of Sections 42 & 62 and all other applicable provisions of the Companies Act, 2013.

Shri M.K.Patodia, CMD and Shri C.R.Gang, CFO and KMP who are also directors in M/s. GTN Engineering (India) Limited, Emkaypee Investments Pvt. Ltd. And Megha Investments Pvt. Ltd., are concerned or interested financially or otherwise in this item of business. Except above no other Director or Key Managerial Personnel of the Company and/or their relatives are interested.

The Board recommends this Resolution for your Approval.

Item No. 7

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records And Audit) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified/approved by the shareholders of the Company at the General Meeting.

The Board, on the recommendation of the Audit Committee and subject to the rules to be notified by the Ministry of Corporate Affairs in this regard, has approved the appointment of M/s. STR Associates, Cost Accountants, as Cost Auditor to conduct the audit of the cost records of the Company at a remuneration of Rs.2.00 lacs p. a. plus applicable taxes and reimbursement of out of pocket expenses for the financial year ending March 31, 2018.

Accordingly, approval of the members is being sought for the proposal contained in the resolution set out at item no.7 of the notice.

None of the Directors, Key Managerial Persons and their relatives are concerned or interested in the resolution either financially or otherwise.

The Board recommends this resolution for your approval.

By order of the Board
For GTN Industries Limited

(P.Prabhakara Rao)
**Company Secretary &
Compliance Officer**

Place: Hyderabad
Date : 24th Aug, 2017

NOTICE (Contd.,)

REQUEST TO THE MEMBERS

1. Members desiring any information on the Financial Statements at the Annual General Meeting are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
2. As a measure of economy, copies of 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 are to be addressed to the Company's Share Transfer Agent Integrated Registry Management Services Private Limited (Formerly M/s Integrated Enterprises (India) Ltd.), Chennai.
4. Members are requested to note that the Company's Equity Shares are compulsorily traded in Demat form for all investors. Members are requested to open depository account in their names with a depository participant to dematerialize their holdings. This would be necessary for facilitating the transfer of Company's shares in all stock exchanges connected to the depository system.
5. Members are requested to note that the Ministry of Corporate Affairs has taken a "**Green Initiative in the Corporate Governance**" by allowing paperless compliance by the Companies after considering Sections 2,4,5 and 81 of the Information Technology Act, 2000 for legal validity of Compliance under Companies Act through electronic mode. Where as the Department of posts has discontinued the postal facility "Under Certificate of Posting" vide their letter dated 23-02-2011. Keeping in view of above, if the service of document has been made through electronic mode provided the Company has obtained e-mail address of its members of sending the notice/documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company.
6. Consequent upon introduction of Section 72 of the Companies Act, 2013, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Individual shareholder(s) can avail the facility of nomination. Shareholders desirous of making nominations are requested to send their request in Form 2B (which will be made available on request) to the Registrar and Share Transfer Agent.

DIRECTORS' REPORT

To the Members,

Your Directors are presenting the 55th Annual Report together with the Audited Statements of Account for the year ended 31st March, 2017.

FINANCIAL RESULTS

(Rs. in Lacs)

	Year ended 31 st March, 2017	Year ended 31 st March, 2016
INCOME		
Net Sales/Income from operations*	28384	28006
Other Income	247	210
Variation in Stock	(207)	182
Total	28424	28398
EXPENDITURE		
a) Cost of Materials**	17468	16913
b) Staff Cost	2782	2742
c) Power & Fuel	2851	3271
d) Other expenditure	3148	3071
Total	26249	25997
OPERATING PROFIT	2175	2401
Interest	1824	1832
Profit/(Loss) before Depreciation and Taxation	351	569
Depreciation	877	123
PROFIT/(LOSS) BEFORE TAX	(526)	446
Exceptional items	(122)	(942)
MAT Credit Entitlement	-	43
Provision for Deferred Tax	-	(97)
PROFIT/(LOSS) AFTER TAX	(648)	(442)

* Sales includes Traded goods of Rs.270 lacs (Previous Year Rs.566 lacs).

** Cost of Material includes Trading purchases of Rs. 253 lacs (Previous Year Rs.527 lacs).

DIVIDEND

In view of the Net loss incurred by the Company during the year, to conserve available resources and considering that company is still under CDR, your Directors have not recommended any Dividend for the year.

PERFORMANCE REVIEW

During the Financial Year under review, the Company has achieved turnover of Rs.28384 lacs against Rs.28006 lacs in the corresponding previous year. The operating profit after considering exceptional expenses but before interest, depreciation and tax were higher by Rs.594 lacs and Net loss before Tax is higher by Rs.152 lacs as compared to the corresponding previous year.

CORPORATE DEBT RESTRUCTURING

The Company has complied with all the terms stipulated by the CDR. Further CDR-EG has approved a scheme Cost of Rs.60 Crores with Term Loan of Rs.45 Crores for resourcing long term operational requirements of the Company. All the lenders have also approved the scheme and promoters have brought in their share of Rs.15 Crores.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134 of the Companies Act, 2013, your Directors confirm that: -

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- b) 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 your company at the end of the financial year and of the Loss of the Company for that year;
- c) they have taken proper and sufficient care, for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 and The Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) the directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

DIRECTORS' REPORT (Contd.,)**CORPORATE GOVERNANCE**

Your Directors affirm their commitments to the Corporate Governance Standards prescribed by the Securities and Exchange Board of India (SEBI). A report on Corporate Governance with Management Discussion and Analysis as required under Regulation 27 of the SEBI Regulations are attached as Annexure.

FIXED DEPOSITS

Company is not accepting Fixed Deposits from the public/ shareholders.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association.

Shri C. George Joseph, Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of The Companies Act, 2013 and Regulation 27 of the SEBI Regulations.

PERFORMANCE EVALUATION

The Board undertook the initiative to conduct a formal evaluation of its own performance and that of its committees & individual Directors. The Nomination & Remuneration Committee led the evaluation process. The Independent Directors reviewed the performance of non-independent Directors, the Chairperson of the Company and the Board as a whole.

The Board would use the results of the evaluation process constructively to improve its effectiveness, optimize individual strength of Directors and deliver performance & overall growth for the Company.

POTENTIALLY SICK COMPANY UNDER THE PROVISION OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISION) ACT, 1985

The Company has been classified as a potentially sick company during 2015-16 and intimated to the BIFR on 27th Oct, 2016 after approval of shareholders.

AUDITORS**i) Statutory Auditors :**

M/s. Lodha & Co., Chartered Accountants, Mumbai, the statutory Auditors of the Company hold office till the conclusion of the 55th Annual General Meeting of the Company. The Board has recommended the appointment of M/s. Bagaria & Co., LLP., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company in their place., for a term of 5 (Five) years from the conclusion of the 55th Annual General Meeting of the Company scheduled to be held in the year 2017 till the conclusion of the 60th Annual General Meeting to be held in the year 2022, for approval of shareholders of the Company based on the recommendation of the Audit Committee.

ii) Cost Auditors :

M/s. S T R Associates, Cost Accountants were appointed by the Board of Directors as Cost Auditors of your Company for the year ended 31st March, 2017.

For the Financial Year 2017-18 Cost Auditor proposed remuneration of Rs.2.00 lacs is recommended to the Shareholders for approval.

iii) Secretarial Audit :

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report
Annexure-II

PERSONNEL & INDUSTRIAL RELATIONS

During the year, in Nagpur Unit some un-social elements (not connected with Registered Union) from Saoner town formed illegal union and gave charter of demands and stopped some workers to attend their duties at our Nagpur plant resulting in disruption of operations from 4th March, 2017 to 4th May, 2017.

DIRECTORS' REPORT (Contd.,)

However, the operations have restarted from 5th May, 2017 and workmen have resumed work. Except this the Industrial relations were cordial and satisfactory at both units of the Company. There were no employees whose particulars are to be given in terms of Section 134 of the Companies Act, 2013 read with the Companies (Particulars of Employees) Rules, 1975.

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

The information required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 2014, are set out in **Annexure - I**, attached hereto and forms part of this report.

VIGIL MECHANISM POLICY

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism Policy for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at **www.gtnindustries.com under investors/policy documents/Vigil Mechanism Policy link**.

RELATED PARTY TRANSACTIONS POLICY

In pursuance to the provisions of Section 188 of Companies Act, 2013 company established Related Party Transaction Policy.

Related party transactions that were entered during the financial year were at an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee/Board for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure-III**

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at **www.gtnindustries.com under investors/ policy documents/Related Party Policy link**.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is **Annexed-IV** herewith

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

OTHER MANAGEMENT POLICIES

The following policies are placed in company's website.

- 1) Policy for determining materiality of events.
- 2) Policy on preservation of documents.
- 3) Policy on code of conduct for Board Members.
- 4) Nomination and Remuneration Policy.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to CDR- EG, Central Bank of India, State Bank of India, IDBI Bank Limited and Export-Import Bank of India, (Exim Bank) the concerned Departments of the State and Central Government, Employees and Shareholders of the Company for their valuable assistance, support and co-operation to the Company.

For and on behalf of the Board

Place: Hyderabad
Date : 26th May, 2017

M.K. PATODIA
Chairman &
Managing Director

DIRECTORS' REPORT (Contd.,)**ANNEXURE – I**

Information as per Section 134 (3) (m) and read with Rule 8(3) (A) (B) (C) of Companies (Accounts) Rules 2014 and forming part of the Directors' Report:

A. Conservation of Energy

The Company is making all round efforts for the conservation of energy. To reduce the energy cost, energy efficient equipments are being used and purchased from outside. Total energy consumption and energy consumption per unit of production as prescribed in **form – A**, is as under:

Particulars		Year ended 31 st March, 2017	Year ended 31 st March, 2016
I.	Power Consumption		
1	Electricity		
	a) Purchased (Units in lacs)	559.50	583.42
	Total amount (Rs. In lacs)	2816.32	3260.65
	Rate per unit (Rs.)	5.03	5.59
	b) Own generation through Diesel		
	Generator (units in lacs)	2.10	0.83
	Units per liter of diesel oil	3.52	3.51
	Cost per unit (Rs.)	15.76	12.54
2	Coal	Nil	Nil
3	Furnace Oil (low sulphur high stock oil)	Nil	Nil
4	Other internal generation	Nil	Nil
II.	Consumption per unit of production		
a)	Electricity – Units per Kg. Yarn	7.38	5.86
b)	Furnace Oil (low sulphur high stock oil) Ltrs. per Kg/unit.	-	-

B. Technology Absorption

Efforts made in Technology Absorption as per **Form B**:

Indigenous technology alone is used and Research and Development are carried out by a separate Textile Research Association for Textile Units situated Southern Region (SITRA).

C. Foreign Exchange Earnings & Outgo

Total Foreign Exchange earned and used excluding capital goods, Components & Spares.

Earned : Rs.9709.51 lacs (Previous year Rs.10533.55 lacs)

Used : Rs.7097.54 lacs (Previous year Rs.6008.38 lacs)

For and on behalf of the Board

Place : Hyderabad
Date : 26th May, 2017

M.K. PATODIA
Chairman & Managing Director

DIRECTORS' REPORT (Contd.,)**ANNEXURE – II**

Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To

The Members,
GTN Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GTN Industries 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 Company'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 **31st March, 2017**, complied with the statutory provisions listed hereunder and also 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 the Company for the financial year ended on **31st March, 2017** according to the provisions of:-

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations & Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited & National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of :

DIRECTORS' REPORT (Contd.,)

- (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;
 - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.
- b. As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ ADRs or any Commercial Instrument under the financial year under report.

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 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.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the members of the Board dissented on any resolution passed at the Meetings of the Board and any of its committees.

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 issued Non-Convertible Redeemable Preference shares on Preferential Basis.

Name of Company Secretary : **V.MOHAN**
 ICSI Unique Code: 12001AP182400
 ACS No. 9735
 COP No. 3555

Place : Hyderabad
 Date : 26th May, 2017

Note: This report is to be read with my letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

To **Annexure "A"**

The Members,
GTN Industries Limited

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management and my examination was limited to the verification of procedures on test basis;
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Name of Company Secretary : **V.MOHAN**
 ICSI Unique Code: 12001AP182400
 ACS No. 9735
 COP No. 3555

Place : Hyderabad
 Date : 26th May, 2017

DIRECTORS' REPORT (Contd.,)**ANNEXURE – III****FORM AOC-2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sl.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Duration of the contracts/arrangements /transaction	Nil
c)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
d)	Justification for entering into such contracts or arrangements or transaction	Nil
e)	Date of approval by the Board	Nil
f)	Amount paid as advances, if any	Nil
g)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2 Details of contracts or arrangements or transactions at Arm's length basis:

Sl. No.	Particulars	Details				
a)	Name (s) of the related party	Perfect Cotton Co.,	Standard Cotton Corporation	Patcot	Purav Trading Ltd	GTN Eng. (I) Ltd
b)	Nature of Relationship	Associate	Associate	Associate	Associate	Associate
c)	Nature of contracts /arrangements / transaction	Purchase of Cotton	Purchase of Cotton	Purchase of Cotton	Purchase of Cotton	Sale of Yarn, purchase of goods
d)	Duration of the contracts/ arrangements / transaction	Annually	Annually	Annually	Annually	Annually
e)	Salient terms of the contracts or arrangements or transaction	At Competitive rates and at Arms length	At Competitive rates and at Arms length	At Competitive rates and at Arms length	At Competitive rates and at Arms length	At Competitive rates and at Arms length
f)	Justification for entering into such contracts or arrangements or transactions	AGM approved on 29-09-2015	AGM approved on 29-09-2015	AGM approved on 29-09-2015	AGM approved on 29-09-2015	AGM approved on 29-09-2015
g)	Date of approval by the Board	28-05-2015	28-05-2015	28-05-2015	28-05-2015	28-05-2015
h)	Amount incurred during the year (Rs. In Crores)	Rs.9.83	Rs.26.55	Rs.12.76	NIL	Rs.44.29

DIRECTORS' REPORT (Contd.,)**ANNEXURE – IV****EXTRACT OF ANNUAL RETURN
FORM MGT-9**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014)
Financial Year ended on 31.03.2017

I. REGISTRATION & OTHER DETAILS

i	CIN	L18101TG1962PLC054323
ii	Registration Date	02/08/1962
iii	Name of the Company	GTN INDUSTRIES LIMITED
iv	Category/Sub-category of the Company	Public having Share Capital
v	Address of the Registered office	Chitkul Village, Patancheru Mandal, Medak District, Telangana - 502307
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Registry Management Services Pvt. Ltd 2 nd Floor, Kences Towers, No.1 Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017 Ph: 044 28140801-03 Fax: 044-28142479 E mail: csdstd@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

Sl.No	Name & Description of main products/services	NIC Code of products/services	% of total turnover of the company
1	Cotton Yarn / Spinning	13111	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No	Name & Address of the Company	CIN/GLP	Holding/ Subsidiary Associate	% of shares held	Applicable Sections
	NIL	NIL	NIL	NIL	NIL

IV. SHAREHOLDING 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				No. of Shares held at the end of the year				Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
PROMOTER Indian Individual/Hindu Undivided Family	3613149	-	3613149	20.60	3613149	-	3613149	20.60	-

DIRECTORS' REPORT (Contd.,)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
Central Government/ State Governments Bodies Corporate	9425679	-	9425679	53.74	9425679	-	9425679	53.74	-
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Any other (Specify)									
Sub Total A(1)	13038828	-	13038828	74.34	13038828	-	13038828	74.34	-
Foreign Individual (Non resident / Foreign individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total A(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	-
Total shareholding of Promoter and Promoter Group (A)= (A)(1) +(A)(2)	13038828		13038828	74.34	13038828		13038828	74.34	-
Public Shareholding									
Institutions	-	-	-	-	-	-	-	-	-
Mutual Funds/ UTI	400	1286	1686	0.01	400	1286	1686	0.01	-
Financial Institutions/ Banks	925	142	1067	0.01	925	42	967	0.01	-
Central Government/ State Governments Venture capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	87377	-	87377	0.50	45020	-	45020	0.26	(0.24)
Foreign Institutional Investors	-	1900	1900	0.01	-	1900	1900	0.01	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
Any other - Foreign Bank	-	-	-	-	-	-	-	-	-
Sub Total B(1)	88702	3328	92030	0.53	46345	3228	49573	0.29	(0.24)

GTN INDUSTRIES LIMITED
DIRECTORS' REPORT (Contd.,)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
Non-Institutions									
Bodies Corporate (Indian/Foreign/Overseas)	276435	10938	287373	1.64	317671	10938	328609	1.87	0.23
Individuals (Resident/NRI/Foreign National)	-	-	-	-	-	-	-	-	-
Individual Shareholders holding Nominal Share Capital upto Rs.1 Lac	2001514	425178	2426692	13.83	2089812	412992	2502794	14.27	0.44
Individual Shareholders holding Nominal Share Capital in excess of Rs.1 Lac	1656801	17700	1674501	9.54	1454260	17700	1471960	8.38	(1.16)
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any other (Specify)									
- Clearing Members	20954	0	20954	0.12	148614	0	148614	0.85	0.73
Sub Total B(2)	3955704	453816	4409520	25.13	4010357	441620	4451977	25.37	0.24
Total Public Shareholding (B)= (B)(1)+(B)(2)	4044406	457144	4501550	25.66	4056702	444848	4501550	25.66	-
TOTAL (A) + (B)	17083234	457144	17540378	100.00	17095530	444748	17540378	100.00	-
Shares held by Custodians and against which Depository Receipts have been issued to Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Grand Total (A) + (B) + (C)	17083234	457144	17540378	100.00	17095530	444748	17540378	100.00	-

DIRECTORS' REPORT (Contd.,)

(ii) Shareholding of Promoters

Sl.No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change
		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	Emkaypee Investments Private Limited	2630574	15.00	14.80	2630574	15.00	14.80	NIL
2.	Mahendra Kumar Patodia	1986713	11.33	11.17	1986713	11.33	11.17	NIL
3.	Anjana Patodia	514332	2.93	2.85	514332	2.93	2.85	NIL
4.	Mahendra kumar Patodia (HUF)	1112104	6.34	5.82	1112104	6.34	5.82	NIL
5.	JEL finance and investments limited	5750000	32.78	0.00	5750000	32.78	0.00	NIL
6.	Megha investments private limited	629520	3.59	3.42	629520	3.59	3.42	NIL
7.	GTN Engineering (India) Limited	415585	2.37	0.00	415585	2.37	0.00	NIL
	Total	13038828	74.34	38.06	13038828	74.34	38.06	NIL

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

Sl.No	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	13038828	74.34	13038828	74.34
1	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus / sweat / equity etc.)	NIL	NIL	NIL	NIL
	At the end of the year			13038828	74.34

DIRECTORS' REPORT (Contd.,)

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

Sl.No	For Each of the Top 10 Shareholders	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	218535	1.246	220535	1.257
2	DINESH CHAND JAIN	201826	1.151	201826	1.151
3	SANTOSH SITARAM GOENKA	96401	0.550	153408	0.875
4	SUPRIYA SANTOSH GOENKA	17491	0.100	91531	0.522
5	VARINDER PANDHI	60989	0.348	60989	0.348
6	PUNJABHAI KESHAVBHAI KADCHHA	40014	0.228	50514	0.288
7	SUNITA SANTOSH GOENKA	42996	0.245	49961	0.285
8	JYOTI PANDHI	49660	0.283	49660	0.283
9	RELIGARE FINVEST LTD	49000	0.279	49000	0.279
10	JIGNESH MADHUKANT MEHTA	55050	0.314	45586	0.260

(iii) Shareholding of Directors and Key Managerial Personnel :

Sl.No	For each of the Directors/ KMP	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	M.K.Patodia	1986713	11.33	1986713	11.33
2	B.L. Singhal	12130	0.06	12130	0.06
3.	C. George Joseph	200	0.00	200	0.00
4	C.R.Gang (KMP)	1	0.00	1	0.00
5	P.Prabhakara Rao (KMP)	1	0.00	1	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. In Thousands)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1355828	44000	-	1399828
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2445	3041	-	5486
Total (i+ii+iii)	1358273	47041	-	1405314

DIRECTORS' REPORT (Contd.,)

(Rs. In Thousands)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	145424	-	-	145424
• Reduction	128655	327	-	128982
Net Change	16769	-327	-	16442
Indebtedness at the end of the financial year				
i) Principal Amount	1373842	44000	-	1417842
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	616	2714	-	3330
Total (i+ii+iii)	1374458	46714	-	1421172

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lacs)

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1	Salary & Perks	M.K.Patodia				20.97

B. Remuneration to other directors :

(Amount In Rs.)

Sl. No	Particulars of Remuneration	Name of Director(s)				Total Amount
1	Independent Directors	B.L.Singhal	M.R. Vikram	C. George Joseph	Rajul Kothari	
	Fee for attending Board/Committee meetings	67500	90000	-	45000	-
	Total (1)	67500	90000	-	45000	202500
2.	Other Non-Executive Directors					
	Fee for attending board / committee meetings	-	-	7500	-	-
	Total (2)	-	-	7500	-	7500
	Total Remuneration (1+2)	67500	90000	7500	45000	210000

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

(Rs. In Lacs)

Sl.No	Particulars	Name(s)	Total
1	CEO	M.K.Patodia	20.97
2	CFO	C.R.Gang	22.86
3	Company Secretary	P.Prabhakara Rao	14.62

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)
NIL	NIL	NIL	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE

1. A brief statements on Company's Philosophy on Code of Governance

The Company firmly believes in and has consistently endeavored to practice good Corporate Governance. 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 stake holders, including Shareholders, Employees, the Government and the Lenders.

2. Board of Directors

The Board of Directors Consists of 5 Directors.

a) Composition and category of Directors as on 31st March, 2017 is as follows:

Category	Name of the Director(s)
Promoter: Executive Chairman & Managing Director	Mr. M.K. Patodia (DIN. 00004752)
Independent Directors	Mr. B.L. Singhal (DIN. 00006433) Mr. M.R. Vikram (DIN. 00008241)
Independent Woman Director	Mrs. Rajul Kothari (DIN. 06903721)
Non-Executive Director	Mr. C.George Joseph (DIN. 00309739)

b) Attendance of each Director at the Board Meetings and the last AGM

Name of the Director	Attendance particulars	
	Board Meetings	Last AGM
Mr. M.K. Patodia	4	Yes
Mr. B.L. Singhal	3	No
Mr. M.R. Vikram	4	No
Mr. C.George Joseph	1	Yes
Mrs. Rajul Kothari	3	No

c) Number of other Boards or Board Committees in which he/she is a member or Chairman

Name of the Director	No. of other Directorships & Committee member	
	Directorships including Pvt. Ltd. Cos.	Committee Membership
Mr. M.K.Patodia	6	2
Mr. B.L.Singhal	6	3
Mr. M.R.Vikram	19	6
Mr. C.George Joseph	1	2
Mrs. Rajul Kothari	-	2

REPORT ON CORPORATE GOVERNANCE (Contd.,)**d) Number of Board Meetings held and the date on which held:**

Four Board Meetings were held during the year, on the following dates:

24 th May, 2016	12 th Aug, 2016
11 th Nov, 2016	7 th Feb, 2017

The Maximum time gap between any two meetings was not more than 120 days.

e) Independent Directors:

The Company has complied with the conditions of Section 149(6) of the Companies Act, 2013 and Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 regarding independence.

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

f) Independent Directors Meeting:

A separate meeting of Independent Directors was held on 07-02-2017 without attendance of Non-Independent Directors and members of the Management.

3. Audit Committee**i. Brief description of terms of reference**

The present Audit Committee consists of Non-executive Directors viz., Mr.B.L.Singhal, Chairman, Mr. M.R.Vikram and Mrs. Rajul Kothari. The constitution of Audit Committee also meets with the requirements under Section 177 of the Companies Act, 2013 and Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations.

The Audit committee shall oversee financial reporting process and disclosures, review annual financial statements, management discussion and analysis of financial conditions, results of operation, review of adequacy of internal audit function, related party transactions and to look into the reasons for material defaults in the payment to depositors, debenture/shareholders and creditors, if any, oversee compliance with stock exchange and legal requirements concerning financial statements, review auditors qualifications (draft) compliance with Accounting standards, recommending the appointment and renewal of external/ Internal Auditors and Cost Auditors, fixation of audit fee and also approval for payment for other services etc.

ii. Composition, name of members and Chairman

Name of Committees	Chairman/Members of the Committee(s)
AUDIT COMMITTEE	Shri B.L.Singhal - Chairman Shri M.R.Vikram Smt. Rajul Kothari

iii. Meetings and attendance during the year

Name of the Member	Meetings held on				No. of Meetings attended
	24-05-16	12-08-16	11-11-16	07-02-17	
Mr. B.L.Singhal	Attended	Attended	L.A.	Attended	3
Mr.M.R.Vikram	Attended	Attended	Attended	Attended	4
Mrs. Rajul Kothari	L.A.	Attended	Attended	Attended	3

REPORT ON CORPORATE GOVERNANCE (Contd.,)**iv. Internal Audit and Control :**

M/s. D.K.Baid & Co., Chartered Accounts, Hyderabad, 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, the Internal Control Systems are periodically reviewed by the Audit Committee.

v. Prevention of Insider Trading :

The Audit Committee also mentions implementation and compliance of the Company's Code of Conduct for prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended update. Shri P.Prabhakara Rao, Company Secretary is the Compliance Officer of the Company.

vi. Vigil Mechanism :

The Company has established a vigil mechanism for directors and employees to report concerns about unethical behavior, 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.gtnindustries.com. No personnel has been denied access to the Audit Committee to lodge their complaints/concern.

4. Nomination & Remuneration Committee:**i. Brief description of terms of reference**

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Chairman & Managing Director, KMP and other senior executives of the Company. The remuneration policy is in consonance with the existing industry practice and also with the provisions of the Companies Act, 2013.

ii. Composition, name of members and Chairperson

NOMINATION & REMUNERATION COMMITTEE	Shri M.R. Vikram - Chairman Shri B.L. Singhal Shri C. George Joseph
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iii. Attendance during the year

No Nomination & Remuneration Committee Meeting was held during the year.

iv. Remuneration policy

Company adopted to follow/comply the provisions of the Companies Act and pay managerial remuneration within the limits of Act/Schedule

v. Details of Remuneration to all the directors

No remuneration is paid to Non-Executive/Independent Directors except sitting fee at the rate of Rs.7500/- for each meeting of the Board, Audit and Stakeholders Relationship Committee Meetings.

Name of the Director	Amount (in Rs.)
Mr. B.L.Singhal	67500
Mr. M.R.Vikram	90000
Mr. C.George Joseph	7500
Mrs. Rajul Kothari	45000

REPORT ON CORPORATE GOVERNANCE (Contd.,)**5. Stakeholders Relationship Committee**

- i. Names of Non-executive Director(s) heading the committee:

Shri M R Vikram	-	Chairman
Shri B.L. Singhal		
Smt. Rajul Kothari		

- ii. Name and designation of Compliance office : Shri P.Prabhakara Rao, Company Secretary
- iii. Number of Shareholders Complaints received so far : Nil
- iv. Number not solved to the satisfaction of shareholders : Nil
- v. Number of pending complaints : Nil

6. General Body Meetings

- i. Location, date and time of Annual/Extra-Ordinary General meetings held during last 3 years are as under:

Year	Location	Nature of Meeting	Date	Day	Time
2013-14	Chitkul village, Patancheru Mandal, Medak Dist., Andhra Pradesh	AGM	29 th Sept, 14	Monday	10.15 A.M
2014-15	Chitkul village, Patancheru Mandal, Medak Dist., Telangana.	AGM	29 th Sept, 15	Tuesday	10.15 A.M
2015-16	Chitkul village, Patancheru Mandal, Medak Dist., Telangana.	AGM	29 th Sept, 16	Tuesday	10.15 A.M
		EGM	29 th Sept, 16	Tuesday	11.15 A.M

- ii. Whether any special resolutions passed in the previous 3 AGMs: YES
- iii. Whether any Special Resolution passed last year through postal ballot - details of voting pattern - NO
- iv. Person who conducted the postal ballot exercise: NA
- v. Whether any special resolution is proposed to be conducted through postal ballot- NO
- vi. Procedure for postal ballot: Complied provisions of the Companies Act and Postal Ballot rules.

7. Disclosures

- i) Disclosure on materially significant related party transactions, that may have potential conflict with the interest of the Company at large:

During the year, the Company had not entered into any transaction of a material nature with any of the related parties, which were in conflict with the interest of the Company. All transactions with the related parties were in the ordinary course of business and at arms length.

- ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None
- iii) Whistle Blower policy and affirmation that no person has been denied access to the Audit Committee:

The Company promotes ethical behavior in all its business activities and has put in place mechanism of reporting illegal or unethical behavior. Employees are free to report existing/ probable violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified person. The Directors and Senior Management are obligated to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

REPORT ON CORPORATE GOVERNANCE (Contd.,)

- iv) Details of compliance with all mandatory requirements and adoption of the non-mandatory requirements of the clause.

The Company has complied with all mandatory requirements

- v) Reconciliation of Share Capital:

A qualified Practicing Company Secretary has carried out 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.

- vi) 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 33 and 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

- vii) Compliance on Corporate Governance:

The quarterly compliance report has been submitted to the Stock Exchange at BSE/NSE in the requisite format duly signed by the compliance officer, pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

8. Means of Communication**i. Quarterly results**

The quarterly/half yearly un-audited and annual audited financial results of the Company are sent to the Stock Exchange(s) immediately after they are approved by the Board of Directors.

ii. Newspapers wherein results normally published

The quarterly results are normally published in one of the all India circulated National and Local dailies such as Business Standard/Financial Express (National Daily) and Andhra Prabha/ Surya /Nava Telangana (Regional newspaper).

iii. Any website where displayed : www.gtnindustries.com**iv. Whether it also displays official news releases: Yes****v. The presentation made to institutional investors or to the analysts: Nil****9. General Shareholders Information****i) AGM: Date, Time and Venue**

Date and time : 29th Day of Sept, 2017 at 9.30 A.M
Venue : Chitkul Village, Patancheru Mandal,
Medak Dist-502307, Telangana

ii) Financial Year : 2016-2017**iii) Date of Book closure : From:25-09-2017 To 29-09-2017
(Both days inclusive)****iv) Dividend payment date : No dividend recommended by the Board for the year 2016-17.****v) Listing on Stock Exchanges at : BSE Limited (BSE) and
National stock Exchange (NSE)
Annual listing fee for the year 2017-18
has been paid to BSE and NSE.****vi) STOCK CODE
Scrip Code No. : BSE: 500170
Trading Symbol : NSE: GTNIND**

REPORT ON CORPORATE GOVERNANCE (Contd.,)

vii) Market price Data High, Low during each month in last financial year : (Amount in Rs.)

Month & Year	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr, 2016	11.94	9.83	11.55	9.55
May, 2016	16.38	10.00	16.40	9.10
June, 2016	18.00	13.49	17.85	13.45
July, 2016	24.65	15.50	24.75	15.55
Aug, 2016	21.75	14.25	21.20	13.90
Sep, 2016	14.95	12.35	14.70	12.20
Oct, 2016	16.00	13.10	16.40	13.05
Nov, 2016	15.75	11.50	15.40	11.20
Dec, 2016	15.05	12.26	14.20	11.50
Jan, 2017	22.20	13.50	21.40	13.15
Feb, 2017	21.00	15.60	20.00	15.00
Mar, 2017	22.40	14.80	22.40	14.50

viii) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.,- Our Company Scrip was not actively traded and transactions are not much.

ix) Registrar and Transfer agents : Integrated Registry Management Services Pvt. Ltd.,
2nd Floor, Kences Towers, No.1
Ramakrishna Street, North Usman Road,
T.Nagar, Chennai – 600 017
Ph:044-28140801-03 Fax: 044-28142479
E mail: csdstd@integratedindia.in

x) Share Transfer System : Presently, the share transfers which are received in physical form are processed and the share Certificates are returned within a period of 15days from the date of receipt, subject to the documents being valid and complete in all respects. As regards shares held in Electronic form, the credit being given as per guidelines/by-laws issued by SEBI and NSDL/CDSL.

xi) Distribution of Shareholding as on 31st March, 2017

No. of Shares held	No. of shareholders	% of shareholders	No. of shares	% of Holding
Up to 100	19104	87.73	566986	3.23
101 – 500	1679	7.71	469753	2.68
501 – 1000	463	2.13	388911	2.22
1001 – 10000	470	2.16	1334526	7.61
10001 – 100000	49	0.23	1217475	6.94
Above 100000	10	0.04	13562727	77.32
Total	21775	100.00	17540378	100.00

REPORT ON CORPORATE GOVERNANCE (Contd.,)

xii) Dematerialization of Shares and liquidity

The Shares of the Company are compulsorily traded in **DEMAT** form by all categories of investors w.e.f 28th August 2000. 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 **31st March, 2017, 97.47 %** Equity shares of the company were held in dematerialized form.

xiii) Outstanding GDRs/SDRs/Warrants or any Convertible instruments, conversion date and likely impact on equity – NIL

xiv) Plant locations - Spinning Mills

Chitkul village, Patancheru Mandal, Medak District, Pin -502 307, Telangana	Khurajgaon Village, Saoner Tahsil, Nagpur District, Pin-441 112. Maharashtra.
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xv) Address for Correspondence

Secretarial Department,
GTN INDUSTRIES LIMITED
Plot No.29, Nagarjuna Hills, Punjagutta,
Hyderabad - 500 082, Telangana.
Tel: 040-43407804/811, Fax: 040-23358400
E-mail: shareddept@gtindustries.com
Website: www.gtnindustries.com

The above report was adopted by Board of Directors at their meeting held on 26th May, 2017.

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 27 OF THE SEBI LISTING REGULATIONS:

To

THE MEMBERS OF
GTN INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **GTN INDUSTRIES LIMITED** (the Company) for the year ended 31st March, 2017, as stipulated in Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), entered into by the Company, with the Stock Exchanges of India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with Guidance Note on Certification of Corporate Governance, as stipulated in Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. On the basis of our review and according to the information and explanations given to us and representation made by the management, the conditions of Corporate Governance as stipulated in Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with the Stock Exchanges have been complied with in all material respects by the Company.
4. 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 Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

Place : Mumbai
Date : 26th May, 2017

R.P. Baradiya
Partner
Membership No. 44101

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

1. INDUSTRY STRUCTURE & DEVELOPMENTS:

The Textile Industry is one of the oldest Industry in the country and plays an important role in the country's economy in terms of Industrial Production, Employment and foreign exchange earnings. The Textile Industry has achieved a good growth in last two decades in terms of installed spindles and yarn production and India's installed spindles were expanded to 52.45 million at the end of March 2017, second largest yarn production capacity in the world next to China. This could happen due to buoyant domestic and international demand, conducive Government Policies. Indian Textile sector contributes to over 5% to the country's Gross Domestic Product (GDP), accounting for 11% of Industrial Production, over 10% to the country's exports and also employs about 4.5 crores workers directly. In addition, this industry provides indirect employment to large number of workforce and also helps to develop many related ancillaries which generates further employment. It is the second largest employment provider after the agricultural sector.

The Indian Textile Industry faced a difficult period from April 2007 to December 2009 due to global recession and economic conditions leading to a sharp fall in consumer demand for textile products. However, the market has become buoyant from 2010-11 onwards on account of strong export and domestic demand arising from favourable demographic factor and rapid changes in the lifestyle of consumers, however, textile industry has severely affected due to increase in global cotton prices, recession in Europe, devaluation of currency in China, Govt policy to allow export of cotton, withdrawal of DEPB etc., and volatile exchange rates.

It is hoped that textile industry may perform better after arrival of new cotton crop in Oct- Nov 2017 since it is expected that cotton crop is likely to be higher and prices are forecasted to be relatively stable. In addition, the continuation of TUF Scheme and higher realization on exports due to stable Government and stability of the Rupee. These are favourable indicators for the reasonable growth of textile industry in the country.

COTTON SCENARIO

As per the Cotton Advisory Board, cotton crop estimates for 2016-17 season is 351 lac bales (containing 170 kgs of cotton per bale) as against last year's production of 338 lac bales. The demand/consumption excluding exports was 313 lac bales as against previous year consumption of 312 lac bales. Cotton exports during 2016-17 was estimated at 50 lac bales as against previous year exports of 69 lac bales. The estimated cotton crop area for the 2016-17 season is 105 lac hectares as against previous area of 118.77 lac hectares.

This cotton season of 2015-16 and 2016-17 have been one of the worst in terms of quality cotton availability. Quality complaints in cotton started way back in mid January onwards, even though more than 50% arrivals were still due to come into the market. The rise and fall of prices has played a major impact on quality cotton availability as well.

As expected, the signs of lower crop size became more prominent as arrivals started to dip from April onwards. Most of the factories across Telangana had shut down in March & April citing lack of kapas arrival. Similar trend followed in some parts of Maharashtra as well. Quality cotton had also become a major issue with availability being restricted only during November-January period only. Declining arrivals tempted the ginners and traders to hold on to the cotton they had and wait for markets.

On the other hand, CCI which had done about only 10% of last year's procurement started selling their cotton but very limited stocks on a daily basis. Non-availability of cotton with Ginners & Traders, limited selling by CCI with fairly good demand for cotton from Mills, Traders and Exporters prompted the cotton prices to improve by at least 15%.

At present, domestic demand for quality cotton is keeping the markets steady to firm. We could see some selling in the markets as monsoon arrives in the 1st week of June, but we also foresee again a huge scarcity of cotton in the months of August & September before new cotton crop arrives in the market. This scarcity coupled with demand may again fuel prices to rise to new levels of Rs.40,000/- to 45,000 per candy plus.

MARKETING :

India is a large supplier of cotton yarn in world market. Due to recession from 2009 in global markets, volume and value of export have come down significantly. Your Company is also in export of medium, fine and superfine combed yarn and it has been constantly focusing its efforts to cater to high end users. The company has got excellent relations with all its overseas customers who have been dealing with the Company over the years, by adhering to quality standards, delivery schedules and competitive prices. However, due to strengthening of the dollar, net realization from exports are good. The demand in domestic market is improving for woven and garment sector and gradually Company expect to have larger sale in domestic market due to recession in export markets such as Europe and other Asian countries.

FOREX/EXCHANGE RISK:

The exchange rate plays an important role since most of our export business is in dollar. The importing countries must be able to import yarn at a proper price as per their currencies and any major volatility in this aspect also affects business competitiveness.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.,)

During last 2 years exchange rates have been quite volatile. During the year 2015-2016 dollar rupee exchange rate was fluctuated from Rs.63 to Rs.67. During 2016-17 dollar rupee exchange rate was volatile at around Rs.65 to Rs.68. The Company expects to realize its exports at current rate. However, it will have impact on import of cotton.

2. OPPORTUNITIES, THREATS AND CONCERN:

The future of Indian Textile industry is highly depending on availability of raw material at a competitive price. With the introduction of Hybrids and BT Cotton, the cotton production in India is increasing and it is expected that the supply of quality cotton will be comfortable in the coming season 2017-18.

Chinese exports of Textiles and clothing are declining especially to USA due to devaluation of currency, thus, provides an opportunity to India for improving its export performance. In long run, the prospectus of Indian Textile Industry is likely to be bright. However there is a recession in international markets such as Europe and other Asian countries.

However, fluctuation in cotton price, exchange rates, availability of labour are threats to the industry. Withdrawal of DEPB is another set back to the industry, however, new schemes are introduced which are in temporary nature. The availability of workers is also a problem.

Spinning units are highly capital intensive and has to maintain large Raw Material inventory levels due to its seasonality. Your Company makes all efforts to have efficient inventory management and constant efforts are being made to monitor the inventory levels keeping in view of interest costs.

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.

3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The Company is mainly engaged in the business of manufacture and export of cotton yarn and accordingly this is the only Single Reportable Segment.

4. OUTLOOK:

The Company continues to be an important player in the field of cotton yarn in medium and fine count segment yarns. There are good prospects for increasing exports of cotton yarn to Asian countries. The company is making all efforts to explore new markets apart from current markets.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorised, 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 and same is verified statutory auditors regularly. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

6. FINANCIAL AND OPERATIONAL PERFORMANCE:

Please refer Director's Report on performance review.

7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS (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, Company served its human resources with integrity through a variety of services by using appropriate training, motivation techniques and employee welfare activities etc. Industrial relations were cordial and satisfactory except some disruption of operations at Nagapur unit. As on 31st March 2017, the Company has about 759 (including trainees, casuals etc.) employees.

8. 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 results 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 Govt. regulations and tax laws, economic conditions affecting demand / supplies and other environmental factors over which the Company does not have any control.

INDEPENDENT AUDITORS' REPORT

To
The Members of
GTN Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **GTN Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT (Contd.,)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in the aforesaid financial statements – Refer Note 24B(1) to the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2017.
 - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 24B(16) to the financial statements.

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

Place: Mumbai
Date : 26th May, 2017

R.P. Baradiya
Partner
Membership No. 44101

ANNEXURE A TO THE AUDITORS' REPORT

With respect to the "Annexure A" referred to in the Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2017, we report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except the following in case of land:

Total No. of cases	Leasehold / Freehold	Gross Block as at 31.03.2017	Net Block as at 31.03.2017	Remarks
59	Freehold	1757.13	1757.13	These lands are in the process of being transferred in the name of the Company pursuant to the change in its name from GTN Textiles Limited to GTN Industries Limited.

2. The inventory has been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit have been verified by the management with reference to the confirmations received from them and/or subsequent receipt of goods. The discrepancies noticed on verification between the physical stocks and book records were not material considering the operations of the Company and have been properly dealt with in the books of account.
3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
4. During the year, the Company has not given any loans, made investments, issued guarantees, and provided security. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
5. In our opinion and according to the information and explanations given to us and, no deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
6. On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government under Section 148(1) of the Act have been maintained. However, we are not required to and thus, have not carried out any detailed examination of such accounts and records, with a view to ascertain whether these are accurate and complete.
7. a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of 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 applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2017 for a period more than six months from the date they became payable.

ANNEXURE A TO THE AUDITORS' REPORT (Contd.,)

- b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise or Value Added Tax which have not been deposited on account of any dispute, except the following:

S. No.	Name of the Statute	Nature of Dues	Rs. in Lacs	Financial Year	Forum where the dispute is pending
1.	Customs Act, 1962	Duty Drawback	18.69	1998-99	Madras High Court
2.	Central Sales Tax, 1944	Rebate of claims	4.99	2009-10	Joint Secretary, New Delhi

In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks. The Company does not have any dues to Government or debenture holders.

8. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
9. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
10. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
11. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
12. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. (Refer Note 24B(11) to the financial statements)
13. During the year, the Company has made preferential allotment of 0.01% Non-Cumulative Redeemable Preference Shares aggregating to Rs. 200 lakhs. As per the information and explanations given to us, the requirements of Section 42 of the Act have been complied with and the amounts raised have been used for the purpose for which they were raised.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them as per the provisions of Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.
15. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

Place: Mumbai
Date : 26th May, 2017

R.P. Baradiya
Partner
Membership No. 44101

ANNEXURE B TO THE AUDITORS' REPORT

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GTN INDUSTRIES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

R.P. Baradiya
Partner
Membership No. 44101

Place: Mumbai
Date : 26th May, 2017

GTN INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017			
	NOTE	31st March, 2017 (Rs. in Lacs)	31st March, 2016 (Rs. in Lacs)
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	4654.96	4454.96
(b) Reserves and Surplus	2	2692.07	3339.91
Non-Current Liabilities			
Long Term Borrowings	3	4328.52	5602.62
Current Liabilities			
(a) Short Term Borrowings	4	8572.74	7614.75
(b) Trade Payables:			
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2642.67	1929.28
(c) Other Current Liabilities	5	1760.33	2005.34
(d) Short Term Provisions	6	154.14	150.78
TOTAL		24805.43	25097.64
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets	7		
(i) Tangible Assets		14905.41	15580.45
(ii) Intangible Assets		2.16	2.16
(iii) Capital Work-in-Progress		11.94	32.30
(b) Non-Current Investments	8	0.05	0.05
(c) Long Term Loans and Advances	9	542.07	538.64
(d) Other Non-Current Assets	10	251.88	115.99
Current Assets			
(a) Inventories	11	5916.77	5678.01
(b) Trade Receivables	12	1447.09	1072.97
(c) Cash and Bank Balances	13	641.66	759.56
(d) Short-term Loans and Advances	14	361.74	389.87
(e) Other Current Assets	15	724.66	927.64
TOTAL		24805.43	25097.64
Significant accounting policies and notes on financial statements 1-24			
Notes 1 to 24 form an integral part of the financial statements			
As per our attached report of even date For LODHA & CO., Chartered Accountants		For and on behalf of the Board	
R.P. BARADIYA Partner M.No. 44101		M.K.PATODIA Chairman & Managing Director	
C.R.GANG Chief Financial Officer		B.L.SINGHAL } Independent	
P.PRABHAKARA RAO Company Secretary & Compliance Officer		M.R. VIKRAM } Directors	
Place : Mumbai Date : 26 th May, 2017		RAJUL KOTHARI } Independent Woman Director	
Place : Hyderabad Date : 26 th May, 2017		C. GEORGE JOSEPH } Director	

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

	NOTE	For the year ended 31 st March, 2017 (Rs. in Lacs)	For the year ended 31 st March, 2016 (Rs. in Lacs)
I. REVENUE FROM OPERATIONS	16	28384.34	28006.41
II. OTHER INCOME	17	247.14	210.35
III. TOTAL REVENUE (I + II)		<u>28631.48</u>	<u>28216.76</u>
IV. EXPENSES:			
Cost of Materials Consumed	18	17214.99	16385.53
Purchases of Stock-in-Trade	19	253.35	527.46
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	207.39	(181.70)
Employee Benefits Expense	21	2782.46	2741.71
Finance Costs	22	1823.76	1831.77
Depreciation		876.66	122.52
Other Expenses	23	5998.70	6,342.83
TOTAL EXPENSES		<u>29157.31</u>	<u>27770.12</u>
V. PROFIT BEFORE EXCEPTIONAL ITEM AND TAX (III-IV)		(525.83)	446.64
VI. Exceptional item	24B(2)	(121.77)	(941.99)
VII. Profit before tax (V - VI)		(647.60)	(495.35)
VIII. Tax Expense:			
MAT Credit Entitlement		-	42.94
Provision for Deferred Tax		-	(96.75)
IX. PROFIT/(LOSS) FOR THE YEAR (VII -VIII)		<u>(647.60)</u>	<u>(441.54)</u>
X. Earnings per equity share of face value of Rs. 10 each.	24B(9)		
Basic & Diluted (in Rs.)		<u>(3.69)</u>	<u>(2.69)</u>
Significant accounting policies and notes on financial statements	1-24		
Notes 1 to 24 form an integral part of the financial statements			
As per our attached report of even date For LODHA & CO., Chartered Accountants		For and on behalf of the Board	
R.P. BARADIYA Partner M.No. 44101		M.K.PATODIA Chairman & Managing Director	
C.R.GANG Chief Financial Officer		B.L.SINGHAL } Independent	
P.PRABHAKARA RAO Company Secretary & Compliance Officer		M.R. VIKRAM } Directors	
Place : Mumbai Date : 26 th May, 2017		RAJUL KOTHARI Independent Woman Director	
Place : Hyderabad Date : 26 th May, 2017		C. GEORGE JOSEPH Director	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31 st March, 2017		As at 31 st March, 2016	
	Number	Rs. in Lacs	Number	Rs. in Lacs
1 SHAREHOLDERS' FUNDS				
SHARE CAPITAL				
AUTHORISED				
Equity Shares of Rs. 10 each	20000000	2000.00	20000000	2000.00
Redeemable Preference Shares of Rs. 100 each	4500000	4500.00	3500000	3500.00
		<u>6500.00</u>		<u>5500.00</u>
ISSUED SHARE CAPITAL				
Equity Shares of Rs. 10 each	17558778	1755.88	17558778	1755.88
0.01% Non-Cumulative Redeemable Preference shares (NCRPS) of Rs.100 each	2900000	2900.00	2700000	2700.00
SUBSCRIBED & FULLY PAID SHARE CAPITAL				
Equity Shares of Rs.10 each	17558778	1755.88	17558778	1755.88
Less : Forfeited Shares : Equity shares of Rs.10 each; paid thereon Rs.5	18400	0.92	18400	0.92
	<u>17540378</u>	<u>1754.96</u>	<u>17540378</u>	<u>1754.96</u>
0.01% NCRPS of Rs.100 each	2900000	2900.00	2700000	2700.00
TOTAL		<u>4654.96</u>		<u>4454.96</u>

a) Terms/Rights attached to Equity Shares

The Company has one class of equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Terms/Rights attached to Preference Shares

i) Pursuant to the Board Meeting held on 5th February, 2016 and after obtaining the prior approval of the Preference Shareholders, the Company has altered the terms of issue of 300,000 Preference Shares of Rs. 100 each issued to M/s. JEL Finance and Investments Limited (an associate), from "10% CRPS" to "0.01% NCRPS". The redemption period has been revised from 2 years but before 5 years from the date of issue to 10 years but before 15 years from the date of issue.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.,)

- ii) The terms of issue of Preference Shares issued to GTN Engineering (India) Limited (an Associate), are as follows:

Class of Shares/ Date of Issue	Number	Amount (Rs. in lacs)	Redemption period from the date of issue
0.01% NCRPS of Rs. 100 each			
24.04.2013	200,000	200.00	15-20 years
29.03.2014	500,000	500.00	10-15 years
16.10.2014	300,000	300.00	
26.02.2015	500,000	500.00	
23.07.2015	200,000	200.00	
21.08.2015	300,000	300.00	
10.09.2015	100,000	100.00	
29.03.2016	300,000	300.00	
18.07.2016	100,000	100.00	
28.03.2017	100,000	100.00	

- c) The reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	Number	Rs. in Lacs	Number	Rs. in Lacs
Equity Shares				
Shares at the beginning of the year	17540378	1754.96	17540378	1754.96
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	17540378	1754.96	17540378	1754.96
Preference Shares				
Shares at the beginning of the year	2700000	2700.00	1800000	1800.00
Issued during the year	200000	200.00	900000	900.00
Shares outstanding at the end of the year	2900000	2900.00	2700000	2700.00

- d) As stipulated by CDR-EG, the promoters have pledged their 51% shareholding i.e., 66,77,100 Equity shares in favour of the lenders.

- e) The details of shareholders - associates holding more than 5% shares

Name of Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of Rs. 10 each				
Emkaypee Investments Private Limited	2630574	15.00%	2630574	15.00%
Mahendra Kumar Patodia	1986713	11.33%	1986713	11.33%
Mahendra Kumar Patodia (HUF)	1112104	6.34%	1112104	6.34%
JEL Finance and Investments Limited	5750000	32.78%	5750000	32.78%
0.01% Non-Cumulative Redeemable Preference shares of Rs. 100 each				
GTN Engineering (India) Limited	2600000	89.66%	2400000	88.89%
JEL Finance and Investments Limited	300000	10.34%	300000	11.11%

- f) Aggregate Number of Bonus Shares issued/Shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting date - Nil.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.,)

	As at 31 st March, 2017 (Rs. in Lacs)	As at 31 st March, 2016 (Rs. in Lacs)
2. SHAREHOLDERS' FUNDS		
RESERVES & SURPLUS		
(a) SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet	1112.08	1112.08
(b) REVALUATION RESERVE		
As per last Balance Sheet	4505.15	4505.64
Less : Transfer to Statement of Profit & Loss	0.24	0.49
	4504.91	4505.15
(c) Amalgamation Reserve		
As per last Balance Sheet	621.49	621.49
	621.49	621.49
(d) Surplus/ (Deficit)		
As per last Balance Sheet	(2898.81)	(2457.27)
Add : Net Profit/(Net Loss) for the current year	(647.60)	(441.54)
Closing Balance	(3546.41)	(2898.81)
TOTAL	2692.07	3339.91
3. NON CURRENT LIABILITIES - LONG TERM BORROWINGS		
SECURED		
Term Loans		
- from Banks	4162.01	5107.19
- from a Financial Institution	1443.67	2063.35
(i) Term loans are secured by first charge on immovable assets, both present and future, by way of equitable mortgage and first charge on hypothecation of movable fixed assets (except those mentioned in para (ii) below) of the Company and further secured by way of a second charge, on the current assets as mentioned in Note 4 below, present and future. All the above charges are ranking paripassu, inter-se among the term lenders. These loans are guaranteed personally by the Managing Director and also secured by pledge of equity shares to the extent of 51% of promoters' holding with voting rights ranking paripassu with working capital lenders. Term loans are repayable in quarterly instalments. Interest rate for TUF Loans on which rebate is receivable is 4.25% p.a. to 9.75% p.a {net off subsidy} (Previous year 3%p.a. to 9.75% p.a) {net off subsidy} and for other Loans is 10% p.a to 14.25%. (Previous Year 10% p.a to 14.25% p.a)		
(ii) One of the term loans amounting to Rs. 888 lacs (Previous Year Rs. 1038 lacs) availed from a Bank is secured on exclusive charge basis on the specific machinery financed out of the said loan. It is repayable in quarterly instalments. Interest Rate - 14.25%p.a {linked with base rate} (Previous Year 14.25% p.a)..		
Less : Current Maturities (Refer Note 5)	1277.16	1567.92
	4328.52	5602.62

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.,)

	As at 31 st March, 2017 (Rs. in Lacs)	As at 31 st March, 2016 (Rs. in Lacs)
4. CURRENT LIABILITIES - SHORT TERM BORROWINGS SECURED		
WORKING CAPITAL LOANS	6770.56	6387.74
WORKING CAPITAL LOANS-ECB	1362.18	787.01
Working Capital Loans stated above and Non-Fund Based limits of Rs. 1977.40 lacs (Previous Year Rs. 2525.03 lacs) are secured by a first charge by way of hypothecation of current assets of the Company, both present and future and by way of second charge on the fixed assets mentioned in Note 3(a)(i) and 3(a)(ii) above, ranking paripassu, inter-se among working capital banks. These loans/Non-fund based facilities are further guaranteed by Managing Director and also secured by pledge of Equity Shares to the extent of 51% of promoters' holding with voting rights ranking paripassu with Term lenders. Interest on Packing Credit in Foreign Currency - 3% p.a. to 4% p.a. (Previous Year 3% p.a. to 4% p.a.) and Interest on Rupee Working Capital Loans - 10.30.%p.a. to 14.25% p.a. (Previous Year 12% p.a. to 14% p.a.).		
Working Capital Loans -ECB (External Commercial Borrowings) represents amounts borrowed from Indian Banks having Branches abroad against a Letter of Undertaking for making payments on due dates issued by the working capital bankers of the Company marking a lien to the Non Fund Based Limits to that extent and no additional security is provided to the Indian Bankers to avail this ECB facility. Further security as referred above for Non Fund Based Limits is also applicable to the Letter of Undertaking issued by the working capital bankers.		
Unsecured Loans:		
from a Director (Interest Rate - 9% p.a., Previous Year - 9% p.a.)	200.00	200.00
from a Body Corporate (Interest Rate - 10.50% p.a., Previous Year 10.50% p.a.)	240.00	240.00
(Unsecured loans are repayable within a period of 1 year from the receipt of the loan / renewal)		
TOTAL	8572.74	7614.75
5. CURRENT LIABILITIES OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt:(Refer Note.3)		
Term Loan - from Banks	843.07	935.19
- from a Financial Institution	434.09	632.73
(b) Interest Accrued but not Due	33.30	49.02
(c) Other Payables:		
Statutory Dues	125.17	136.57
Advances from Customers	324.70	251.83
TOTAL	1760.33	2005.34
6. CURRENT LIABILITIES SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Compensated Absences	8.37	21.65
Gratuity	145.77	129.13
TOTAL	154.14	150.78

GTN INDUSTRIES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.,)
7 - (a) NON CURRENT ASSETS - FIXED ASSETS
(Rs. in lacs)

Fixed Assets	GROSS BLOCK (At Cost or Book Value)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2016	Additions	Deductions/ Adjustments	As at 31.03.2017	As at 01.04.2016	For the year	Deductions/ Adjustments	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
(a) Tangible Assets										
Land	2,426.53	-	-	2,426.53	-	-	-	-	2,426.53	2,426.53
Buildings	6,140.54	15.44	-	6,155.98	2,048.37	220.31	-	2,268.68	3,887.30	4,092.17
Plant and Equipment	19,683.64	167.29	91.38	19,759.55	10,936.06	594.14	82.36	11,447.84	8,311.71	8,747.58
Electrical Installations	1,325.32	18.36	-	1,343.68	1,125.33	37.61	-	1,162.94	180.74	199.99
Furniture and Fixtures	236.21	10.21	-	246.42	185.29	12.10	-	197.39	49.03	50.92
Vehicles	164.87	-	13.15	151.72	101.61	12.50	12.49	101.62	50.10	63.26
Total	29,977.11	211.30	104.53	30,083.88	14,396.66	876.66	94.85	15,178.47	14,905.41	15,580.45
(b) Intangible Assets										
Software	190.13	-	-	190.13	187.97	-	-	187.97	2.16	2.16
Total (b)	190.13	-	-	190.13	187.97	-	-	187.97	2.16	2.16
Total (a) + (b)	30,167.24	211.30	104.53	30,274.01	14,584.63	876.66	94.85	15,366.44	14,907.57	15,582.61
(c) Capital Work In Progress										
Buildings									11.89	-
Plant and Equipment under installation									0.05	32.30

7 - (b) NON CURRENT ASSETS - FIXED ASSETS (PREVIOUS YEAR)
(Rs. in lacs)

Fixed Assets	GROSS BLOCK (At Cost or Book Value)				DEPRECIATION / AMORTISATION*				NET BLOCK	
	As at 01.04.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	As at 01.04.2015	For the year	Deductions/ Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
(a) Tangible Assets										
Land	2426.53	-	-	2426.53	-	-	-	-	2426.53	2426.53
Buildings	6085.05	55.49	-	6140.54	2380.07	(331.70)	-	2048.37	4092.17	3704.98
Plant and Equipment	19376.29	569.94	262.59	19683.64	10775.44	384.14	223.52	10936.06	8747.58	8600.85
Electrical Installations	1325.37	18.17	18.22	1325.32	1068.77	74.41	17.85	1125.33	199.99	256.61
Furniture and Fixtures	228.39	12.92	5.10	236.21	184.88	5.36	4.95	185.29	50.92	43.50
Vehicles	181.02	-	16.15	164.87	127.45	(9.69)	16.15	101.61	63.26	53.57
Total	29622.65	656.52	302.06	29977.11	14536.61	122.52	262.47	14396.66	15580.45	15086.04
(b) Intangible Assets										
Software	190.13	-	-	190.13	187.97	-	-	187.97	2.16	2.16
Total (b)	190.13	-	-	190.13	187.97	-	-	187.97	2.16	2.16
Total (a) + (b)	29812.78	656.52	302.06	30167.24	14724.58	122.52	262.47	14584.63	15582.61	15088.20
(c) Capital Work In Progress										
Plant and Equipment under installation									32.30	42.75

*During the year ended 31st March, 2016 the Company had aligned its useful life of fixed assets in line with the requirements of Schedule II of the Act. It also changed its method of depreciation of certain fixed assets of Medak and Doubling Units from WDV basis to SLM basis prospectively, considering it to be covered under the transitional provisions of Schedule II of the Act. However, as per the "Guidance note on Depreciation as per Schedule II" issued by ICAI on 11th February, 2016, such change amounts to change in accounting policy and depreciation needs to be recomputed retrospectively. Accordingly, higher depreciation provided in the earlier years amounting to Rs. 758.51 lakhs was reversed.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.,)

	As at 31 st March, 2017 (Rs. in Lacs)	As at 31 st March, 2016 (Rs. in Lacs)
8. NON CURRENT ASSETS		
NON CURRENT INVESTMENTS		
NON-TRADE INVESTMENTS		
- In Government Securities (Unquoted)		
8.5% National Savings Certificates	0.05	0.05
TOTAL	0.05	0.05
9. NON CURRENT ASSETS		
LONG TERM LOANS AND ADVANCES		
UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED		
(a) Capital Advances	13.34	8.99
(b) Security Deposits:		
Electricity Deposits	314.40	301.88
Other Deposits	7.44	5.98
(c) MAT Credit Entitlement	206.61	206.61
(d) Other Loans and Advances:		
Prepaid Expenses	0.28	15.18
TOTAL	542.07	538.64
10. NON CURRENT ASSETS		
OTHER NON CURRENT ASSETS		
UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED		
(a) VAT Receivable	-	142.27
Less: Shown under Other Current Assets (Note 15)	-	(79.52)
	-	62.75
(b) Income Tax deducted at source receivable	35.92	23.98
(c) Margin Deposits with original maturity of more than 12 months (Refer Note 13)	215.96	29.26
TOTAL	251.88	115.99
11. CURRENT ASSETS		
INVENTORIES (Valued at lower of cost and net realisable value)		
(a) Raw Materials	3557.34	3121.57
(b) Work-in-Progress	760.31	520.46
(c) Finished Goods	1486.39	1978.36
(d) Waste Stock	63.50	18.77
(e) Stores, Spares and Packing Material	49.23	38.85
TOTAL	5916.77	5678.01
12. CURRENT ASSETS		
TRADE RECEIVABLES		
(Outstanding exceeding six months from the due date)		
Unsecured, considered good	63.26	73.36
Unsecured, considered doubtful	6.99	-
Less: Provision for Doubtful Debts	6.99	-
	63.26	73.36
OTHERS		
Unsecured, considered good	1383.83	999.61
TOTAL	1447.09	1072.97

GTN INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.,)		
	As at 31st March, 2017 (Rs. in Lacs)	As at 31st March, 2016 (Rs. in Lacs)
13. CURRENT ASSETS		
CASH AND BANK BALANCES		
CASH AND CASH EQUIVALENTS		
(a) Balances with Banks: In Current Accounts	269.21	298.72
(b) Cash on hand	6.12	9.38
OTHERS - MARGIN MONEY DEPOSITS		
(a) Deposits with original maturity of less than 3 months	53.68	26.66
(b) Deposits with original maturity of more than 3 months but less than 12 months	312.65	424.80
(c) Deposits with original maturity of more than 12 months	215.96	29.26
Less: Shown under Other Non-Current Assets (Refer Note 10)	(215.96)	(29.26)
	366.33	451.46
TOTAL	641.66	759.56
14. CURRENT ASSETS		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
Prepaid Expenses	152.30	168.06
Advances to Employees	21.84	27.29
Advances to suppliers	108.54	49.16
Others	79.06	145.36
TOTAL	361.74	389.87
15. CURRENT ASSETS		
OTHER CURRENT ASSETS		
Unsecured, considered good		
(a) Export Incentives Receivable	168.32	247.42
(b) Interest Rebate Receivable	400.89	486.40
(c) Interest accrued on Deposits	34.06	30.78
(d) Fixed Assets held for Disposal	0.37	0.37
(e) Balances with Excise Authorities	54.00	74.88
(f) Input Credit receivable from Sales Tax Authorities	67.02	87.79
TOTAL	724.66	927.64
16. REVENUE FROM OPERATIONS		
Sale of Products		
(i) Manufactured Goods	25893.16	25606.28
(ii) Traded Goods	270.08	565.92
Other Operating Revenues:		
(i) Export Incentives	312.13	210.73
(ii) Waste Sales	1908.97	1623.48
TOTAL	28384.34	28006.41

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.,)

	For the Year Ended 31 st March, 2017 (Rs.in Lacs)	For the Year Ended 31 st March, 2016 (Rs.in Lacs)
17. OTHER INCOME		
Interest Income	64.17	85.09
Profit on Sale of Fixed Assets (Net)	1.68	19.79
Insurance Claims	4.44	20.61
Gain on Foreign Exchange Fluctuations (Net)	123.19	-
Provision no longer required written back	0.05	5.50
Miscellaneous Income	53.61	79.36
TOTAL	247.14	210.35
18. COST OF MATERIALS CONSUMED		
Opening Stock	3121.57	3240.33
Add: Purchases	17650.76	16266.77
Less: Closing Stock	3557.34	3121.57
TOTAL	17214.99	16385.53
Particulars of Materials Consumed		
Cotton	17199.40	15750.30
Yarn	15.59	635.23
TOTAL	17214.99	16385.53
19. PURCHASES OF STOCK IN TRADE		
Cotton Yarn	253.35	527.46
TOTAL	253.35	527.46
20. CHANGES IN INVENTORY		
Opening Stock:		
Finished Goods	1978.36	1856.77
Work in Progress	520.46	447.81
Waste Stock	18.77	31.31
SUB-TOTAL	2517.59	2335.89
Closing Stock:		
Finished Goods	1486.39	1978.36
Work in Progress	760.31	520.46
Waste Stock	63.50	18.77
SUB-TOTAL	2310.20	2517.59
TOTAL	207.39	(181.70)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST MARCH, 2017 (Contd.,)		
	For the Year Ended 31 st March, 2017 (Rs.in Lacs)	For the Year Ended 31 st March, 2016 (Rs.in Lacs)
21. EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and Incentives	2510.39	2498.60
(b) Contributions to Provident and Other Funds	133.66	111.16
(c) Staff Welfare Expenses	138.41	131.95
TOTAL	2782.46	2741.71
22. FINANCE COST		
Interest Expense	1582.20	1659.10
Other Borrowing Costs	241.56	172.67
TOTAL	1823.76	1831.77
23. OTHER EXPENSES		
MANUFACTURING EXPENSES:		
Consumption of Stores and Spare Parts	556.68	544.31
Consumption of Packing Material	381.85	456.42
Power and Fuel	2850.60	3271.00
Processing Charges	252.65	172.92
Other Manufacturing and Operating expenses	151.46	158.84
Repairs to Buildings	98.44	97.02
Repairs to Machinery	320.74	279.81
SUBTOTAL	4612.42	4980.32
ADMINISTRATION AND OTHER EXPENSES:		
Rent	12.29	4.51
Insurance	83.18	90.00
Rates and Taxes	98.21	81.83
Advertisement	1.82	0.83
Commission to Selling Agents	333.51	287.04
Freight Forwarding and Other Expenses	542.37	581.38
Legal & Professional charges	54.09	68.54
Donation	0.55	-
Payment to Auditors#	10.65	9.46
Loss on Foreign Exchange Fluctuations (Net)	-	5.20
Provision for doubtful debts	6.99	-
Miscellaneous Expenses	242.62	233.72
SUBTOTAL	1386.28	1362.51
TOTAL	5998.70	6342.83
#PAYMENT TO AUDITORS		
-for Statutory Audit	3.00	3.00
-for Tax Audit	0.50	0.50
-for Certification services	4.76	3.88
-for Out of Pocket Expenses (including Service Tax)	2.39	2.08
TOTAL	10.65	9.46

NOTES FORMING PART OF ACCOUNTS

Note 24

GTN Industries Limited has its Registered Office at Hyderabad, Telangana. It is engaged in the business of Spinning and Doubling of Yarn. The Company has its production facilities in the state of Telangana and Maharashtra.

A) SIGNIFICANT ACCOUNTING POLICIES

1) GENERAL

- a) The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") of India under the historical cost convention on the accrual basis, except for certain tangible assets which are carried at revalued amounts. GAAP comprises mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in accounting policy hitherto in use.
- b) 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 realization in cash and cash equivalents, the Company has ascertained its operating cycle to be less than 12 months for the purpose of current and non-current classification of assets and liabilities.

2) FIXED ASSETS

(i) Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Assets which are not ready for their intended use are disclosed under Capital Work-in-Progress.

(ii) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

3) INVESTMENTS

Long term Investments are stated at cost and provision is made to recognize any decline, other than temporary, in the value of such investments.

4) INVENTORIES

Inventories are valued at lower of cost and net realizable value. Cost of Raw Materials is computed by using "Specific Identification" method and for other inventories by using "Weighted Average" method.

NOTES FORMING PART OF ACCOUNTS (Contd.,)

The cost in case of finished goods includes cost of purchase, cost of conversion and other costs (on the basis of normal operating capacity) incurred in bringing the inventories to their present location and condition.

5) SALES

Revenue is recognized when the property and all the significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration. Export Sales are inclusive of deemed exports. Export sales are recognized once the Bill of Lading is issued. Local sales are inclusive of excise duty, wherever applicable and net of sales tax.

6) BORROWING COST

Borrowing Costs directly 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. Other borrowing costs are charged to Statement of Profit and Loss.

7) DEPRECIATION**Tangible Assets**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Plant and Machinery and Electrical Installations have been, on technical assessment, considered as continuous process plants as defined in the said Schedule and depreciation has been provided accordingly.

Intangible Assets

Intangible Assets are amortised over a period of 5 years. Individual Assets costing less than Rs. 5000 are fully depreciated in the year of purchase.

8) EMPLOYEE BENEFITS**a) Provident Fund**

Provident Fund is a defined contribution scheme and the contributions are charged to Statement of Profit and Loss as incurred.

b) Superannuation

Superannuation is a defined contribution plan and contribution is made to Life Insurance Corporation of India for eligible employees who have opted for the same as a percentage of salaries. The Company has no further obligations to the scheme beyond its monthly / annual contributions.

c) Gratuity

Gratuity is a defined benefit retirement plan. The Company contributes to the Scheme with Life Insurance Corporation of India based on actuarial valuation done by them as at the close of the financial year.

d) Leave Entitlement

The employees are entitled to accumulate leaves as per the rules of the Company for future encashment. Liability for leave entitlement is provided for on the basis of the eligible leaves at the close of the year.

9) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are recorded at rates that approximate the exchange rate prevailing on the date of respective transaction.

NOTES FORMING PART OF ACCOUNTS (Contd.,)

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year. Monetary assets and liabilities in foreign currency, which are outstanding at the year end, are translated at the year end closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

The premium or the discount arising at the inception of the forward exchange contracts related to underlying receivables and payables are amortized as income or expense over the period of the contracts.

10) TAXATION

Income tax expenses comprise current tax (i.e., amount of tax for the year determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year). The 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 by the balance sheet date. Deferred tax on assets are recognised and carried forward only if there is a virtual / reasonable certainty of realization of such assets in near future and are reviewed for their appropriateness of their respective carrying value at each balance sheet date. Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal tax within the statutory time frame and the same is reviewed at each Balance Sheet date.

11) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities are disclosed in the notes to accounts and are determined based on the management perception that these liabilities are not likely to materialise. Contingent assets are not recognised or disclosed in the financial statements.

12) IMPAIRMENT

In accordance with AS 28 on 'Impairment of Assets', where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised in the Statement of Profit and Loss whenever the carrying amount of such assets exceeds its recoverable amount.

B. Other Notes**1. a) Contingent Liabilities and commitments (to the extent not provided for):****i) Contingent Liabilities**

- Disputed Drawback and Excise Duty - **Rs.23.68** lacs (Previous Year Rs.18.69 lacs).
- Disputed Interest on late payment in Income Tax - **Rs.39.74** lacs (Previous Year Rs.38.92 lacs)
- Cross Subsidy Charges – **Rs.122.08** lacs (Previous Year Rs. 122.08 lacs)
- Disputed Other dues (Gram Panchayat Tax, Non-agricultural Tax, Sewerage Cess etc.): **Rs.75.12** lacs (Previous Year Rs.164.52 lacs).

ii) Commitments

- Estimated amount of contracts remaining to be executed on capital account and are not provided for: **Rs.134.84** lacs (Previous Year Rs.91.34 lacs); net of advances of **Rs.13.34** lacs (Previous Year Rs.8.99 lacs).
- Arrears of Preference Dividend, including Dividend Distribution Tax, **Rs.0.33** lacs (Previous Year Rs.30.83 lacs).

NOTES FORMING PART OF ACCOUNTS (Contd.,)

- b) The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

2. Exceptional items comprise of:

(Rs. in lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Amount paid towards the Voluntary Retirement Scheme (VRS) – 2015 announced for its personnel at Medak and Doubling Units	-	941.99
Expenditure towards Fuel Surcharge Adjustment (FSA) and Electricity duty on Captive Generation imposed for earlier years in view of the judgement of the Hon'ble Supreme Court and Hon'ble High Court of Telangana and Andhra Pradesh, respectively	121.77	-

3. a) In the opinion of the Management, assets other than Fixed Assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for depreciation and all other known liabilities is adequate and not in excess of the amount reasonably necessary.
- b) Certain balances in Trade Payables, Other Current Liabilities, Trade Receivables and Loans and advances are subject to confirmations, reconciliation and adjustments. In the opinion of the Management, adjustments, if any, on such confirmations/reconciliations will not have material impact on the Loss for the year.
4. Based on and to the extent of information available with the Company under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at 31st March, 2017 are furnished below.

(Rs. In lacs)

Particulars	31.03.2017	31.03.2016
Principal amount due to suppliers under MSMED Act, as at the end of the year	-	-
Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	-	-

NOTES FORMING PART OF ACCOUNTS (Contd.,)

5. The Company uses Forward Exchange Contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not enter into any such instruments for trading or speculative purposes.

i) The following are the contracts entered into by the Company and outstanding at the year end:

	31.03.2017	31.03.2016
Forward Exchange Contracts outstanding:		
No. of Contracts	2	5
Type	Sell	Sell
US \$ Equivalent (Lacs)	5.00	12.50
INR Equivalent(Lacs)	337.66	844.61

ii) The year end foreign currency exposures that have not been hedged are given below:

I. Amounts receivable in foreign currency on account of the following :

Particulars	2016-17			2015-16		
	Currency	Equivalent (Lacs)	INR Equivalent (Lacs)	Currency	Equivalent (Lacs)	INR Equivalent (Lacs)
Advances to suppliers	EURO JPY	0.062 -	4.29 -	EURO JPY	1.04 2.62	77.64 1.94
Debtors	USD	2.23	144.33	USD	1.60	105.98

II. Amounts payable in foreign currency on account of the following :

Particulars	2016-17			2015-16		
	Currency	FC Amount (Lacs)	Rupee Equivalent (Lacs)	Currency	FC Amount (Lacs)	Rupee Equivalent (Lacs)
Purchase of goods/Services	USD	19.95	1294.05	USD	9.01	597.19
Loans payable (PCFC)	USD	38.23	2479.53	USD	37.97	2515.60

iii) As a matter of prudence, the Company does not recognize mark to market foreign exchange gain on derivative contracts entered into to hedge the foreign currency risk of future transactions and outstanding as at the year end.

6. **Value of Imports on CIF basis in respect of:**

(Rs. in lacs)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Raw Materials	6821.99	5430.87
Stores	71.31	37.16
Capital Goods	-	338.91
Total	6893.30	5806.94

7. **Expenditure in Foreign Currency on account of:**

(Rs. in lacs)

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Agents' Commission	131.46	156.91
Others	102.53	44.53
Total	233.99	201.44

NOTES FORMING PART OF ACCOUNTS (Contd.,)**8. Earnings in Foreign Exchange:****(Rs. in lacs)**

Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Export of goods calculated on FOB basis	9709.51	10416.74

9. Earnings per share:**(Rs. in lacs)**

	2016-17	2015-16
Numerator :		
Net Profit/(Loss) as disclosed in Statement of Profit & Loss	(647.60)	(441.54)
Less: Preference Dividend including Dividend Distribution Tax	0.33	30.83
Net Profit/(Loss) attributable to the Equity Shareholders	(647.93)	(472.37)
Denominator :		
Weighted average no. of Equity Shares Nos.	17540378	17540378
Basic and diluted Earnings Per Share (face value of Rs.10 each)		
Before / After Extra-ordinary Items Rs.	(3.69)	(2.69)

10. Imported and Indigenous Materials Consumed:

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs. in lacs	%	Rs. in lacs	%
Raw Materials :				
Imported	6650.79	38.63	5159.68	31.49
Indigenous	10564.20	61.37	11225.85	68.51
Total	17214.99	100.00	16385.53	100.00
Components and Spare Parts:				
Imported	72.83	13.08	60.86	11.18
Indigenous	483.85	86.92	483.45	88.82
Total	556.68	100.00	544.31	100.00

11. Disclosure in respect of related parties pursuant to Accounting Standard 18:**(A) List of related parties:**

Related parties with whom the Company entered into transactions during the year:

i) ASSOCIATES

Purav Trading Limited
 GTN Engineering (India) Limited
 JEL Finance & Investment Limited
 M/s. Patcot Co.
 M/s. Perfect Cotton Co.
 M/s. Standard Cotton Corporation

ii) KEY MANAGEMENT PERSONNEL

Shri M.K. Patodia - Chairman & Managing Director
 Shri C.R. Gang - Chief Financial Officer
 Shri P. Prabhakara Rao - Company Secretary

NOTES FORMING PART OF ACCOUNTS (Contd.,)(B) During the year, the following transactions were carried out with related parties: **(Rs. in lacs)**

S. No.	Nature of Transactions	Associates	Key Management Personnel
1.	Sales, Service and other income: GTN Engineering (India) Limited	3402.93 (2808.39)	
2.	Purchase of Goods and Services: Purav Trading Limited Perfect Cotton Co. GTN Engineering (India) Limited Standard Cotton Corporation Patcot Co. Total	- (66.25) 983.42 (1817.36) 825.94 (426.69) 2655.30 (1694.68) 1275.91 (286.92) 5740.57 (4291.90)	
3.	Interest on Loan: Mr. M. K. Patodia		6.53 (24.52)
4.	Remuneration to Key Managerial Personnel: – Mr. M.K. Patodia – Mr. C.R. Gang – Mr. P. Prabhakara Rao		20.97 (20.88) 22.86 (22.88) 14.62 (14.35) 58.45 (58.11)
5.	Unsecured Loans taken: Mr. M.K. Patodia		200.00 (100.00)
6.	Unsecured Loans repaid: Mr. M.K. Patodia		200.00 (100.00)
7.	Allotment of 0.01% Non-Cumulative Redeemable Preference Shares: GTN Engineering (India) Limited	200.00 (900.00)	

NOTES FORMING PART OF ACCOUNTS (Contd.,)**(C) Outstanding balances as on 31st March, 2017:****(Rs. in lacs)**

S. No.	Nature of Transactions	Associates	Key Management Personnel
1.	In respect of Purchase of goods and services: GTN Engineering India Limited Perfect Cotton Company Standard Cotton Corporation Patcot Co.	388.86 (236.84) 60.15 (312.30) 281.58 (47.08) 8.82 (194.01)	
2.	Unsecured Loans: Mr. M.K. Patodia		200.00 (200.00)
3.	0.01% Non-Cumulative Redeemable Preference Shares: GTN Engineering (India) Limited	2600.00 (2400.00)	
4.	0.01% Non-Cumulative Redeemable Preference Shares: JEL Finance & Investment Limited	300.00 (300.00)	
5.	Guarantees given by: Mr. M.K. Patodia		11010.10 (12112.13)

Notes:

1. No amounts in respect of related parties have been written off /written back provided for during the year.
2. Figures in bracket represent previous year's figures.
3. Related parties are as identified by the management and relied upon by the auditors.

NOTES FORMING PART OF ACCOUNTS (Contd.,)**12. Employee Benefit Plans**

The following table set out the status of the gratuity plan as required under AS 15:

Reconciliation of Benefit Obligations and Planned Assets:**(Rs. in lacs)**

	As at March 31, 2017	As at March 31, 2016
1. Change in Defined obligation		
Obligation at the beginning of the year	324.35	430.97
Interest cost	25.95	35.18
Current Service cost	14.01	20.40
Benefits paid	(30.11)	(113.64)
Actuarial (gain)/loss in obligations	27.91	(48.56)
Obligation at year end	362.11	324.35
2. Change in Fair value of Planned Assets *		
Fair value of planned assets at the beginning of the year	195.22	269.21
Expected return on the plan assets	16.13	31.40
Contributions by the employer	35.10	8.25
Benefits paid	(30.11)	(113.64)
Actuarial gain/(loss) on planned assets	-	-
Fair value of planned assets at year end	216.34	195.22
3. Reconciliation or Present Value of the obligation and the Fair value of the Planned Assets		
Liability at year-end	362.11	324.35
Fair value of planned assets at year-end	216.34	195.22
Liability recognized in the balance sheet	145.77	129.13
4. Assumptions		
Discount Rate	8%	8%
Expected Rate of Return on planned assets	8%	8%
Salary Escalation Rate	4% to 6%	4% to 6%

*The Company has entered into a Group Gratuity Scheme with Life Insurance Corporation of India ('LIC') and the plan assets of the Company are being maintained by LIC.

With respect to compensated absences (leave entitlements), liability recognized in the balance sheet as on March 31, 2017 is Rs 8.37 lacs (Previous Year Rs.21.65 lacs).

13. In terms of Accounting Standard 17, the Company operates materially only in one business segment viz., yarn and has its production facilities and all other assets located in India. Sales to external customers comprise export sales of Rs. 9981.10 lacs (Previous Year Rs. 10552.04 lacs) and local sales of Rs. 18091.11 lacs. (Previous Year Rs. 17240.87 lacs).
14. a) The Company had revalued its Land and Building as on March 31, 2015 based on the valuation made by an independent firm of valuers. Accordingly, the original costs of the above assets as on March 31, 2015 have been on market value / replacement cost basis using standard indices after considering the obsolescence and age of individual assets.
- b) The revalued amounts, net of withdrawals, of Rs. 7640.55 lakhs for Land and Buildings and Rs. 1049.67 lakhs for Plant & Machinery and Electrical Installations (Previous Year Rs. 7640.55 lakhs and Rs. 1061.22 lakhs, respectively) remain substituted for the historical cost in the gross block of fixed assets.

NOTES FORMING PART OF ACCOUNTS (Contd.,)

15. The results for the year were adversely affected mainly due to suspension of production on account of labour unrest at the Nagpur unit of the Company from 4th March, 2017 resulting in a loss of Rs. 92 Lacs upto the close of the year. The unit has commenced normal operations from 5th May, 2017.
16. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 are disclosed in the table below:

(Rs. in lacs)

Particulars	SBN's*	Other Denomination notes	Total
Closing Cash in hand as on 08/11/2016	8.09	5.52	13.61
Add: Permitted receipts	-	2.96	2.96
Less: Permitted payments	-	53.92	53.92
Less: Amount Deposited in banks	8.09	-	8.09
Add: Withdrawal from bank after 8 th Nov, 2016	-	51.43	51.43
Closing Cash in hand as on 30/12/2016	-	5.99	5.99

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

17. Previous year's figures have been regrouped and rearranged wherever necessary so as to conform to the current year's presentation.

For and on behalf of the Board

M.K.PATODIA

Chairman & Managing Director

B.L.SINGHAL**M.R. VIKRAM**
 Independent
 Directors
RAJUL KOTHARI**C. GEORGE JOSEPH**Independent
Woman Director

Director

C.R.GANG

Chief Financial Officer

P.PRABHAKARA RAOCompany Secretary &
Compliance OfficerPlace : Hyderabad
Date : 26th May, 2017

CASH FLOW STATEMENT	Year Ended 31st March, 2017 (Rs. in Lacs)	Year Ended 31st March, 2016 (Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(647.60)	(495.35)
Adjustments for:		
Depreciation	876.66	122.52
Interest Charged	1823.76	1831.77
Loss/(Gain) on sale of assets	(1.68)	(19.79)
Sundry Balances written back	(0.05)	(5.50)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2051.09	1433.65
Adjustment for:		
Trade and other receivables	(197.15)	820.99
Inventories	(238.76)	6.31
Trade Payables	487.46	191.97
NET CASH FLOW FROM OPERATING ACTIVITIES	2102.64	2452.92
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(190.93)	(654.26)
Sale of Fixed Assets	11.11	67.08
NET CASH USED IN INVESTING ACTIVITIES	(179.82)	(587.18)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	(1274.10)	(935.13)
Proceeds from Short Term Borrowings (Net)	957.99	263.40
Preference Share Capital receipt	200.00	900.00
Interest paid	(1839.48)	(1838.25)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	(1955.59)	(1609.98)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(32.77)	255.76
CASH & CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	308.10	52.34
CASH & CASH EQUIVALENTS AS AT THE END OF THE YEAR	275.33	308.10
Note: 1. The above cash flow statement has been prepared by using the indirect method setout in Accounting Standard 3 - on Cash Flow Statements as defined in Accounting Standards notified under Companies (Accounting Standards) Rules, 2006. 2. Previous year's figures have been regrouped wherever necessary.		
As per our attached report of even date For LODHA & CO., Chartered Accountants R.P. BARADIYA Partner M.No. 44101 Place : Mumbai Date : 26 th May, 2017	C.R.GANG Chief Financial Officer P.PRABHAKARA RAO Company Secretary & Compliance Officer Place : Hyderabad Date : 26 th May, 2017	For and on behalf of the Board M.K.PATODIA Chairman & Managing Director B.L.SINGHAL } Independent M.R. VIKRAM } Directors RAJUL KOTHARI } Independent C. GEORGE JOSEPH } Woman Director Director

GTN INDUSTRIES LIMITED

CIN NO. L18101TG1962PLC054323

Regd.Off: Chitkul Village, Patancheru Mandal, Medak Disrict- 502307 Telangana.

Corp.Off: Plot No. 29, Nagarjuna Hills, Punjaagutta, Hyderabad – 500 082 Telangana.

Website: www.gtnindustries.com; Email: sharedept@gtindustries.com Phone No(s). 040 43407777 Fax: 04023358400

55th ANNUAL GENERAL MEETING

PROXY FORM

(Pursuant to Section 105(6) of the Companies act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :

Email Id:

Registered Address :

Folio No./DP ID-Client ID No. :

[illegible]

I/we, being the member(s) ofshares of the above named company, hereby appoint

1).....of.....having email Id.....Signatureor failing him / her

2) of having email Id Signature or failing him / her

3) of having email Id Signature or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 55th Annual General Meeting of the Company, to be held on the Friday the 29th day of September, 2017 at 9.30 A.M at Chitkul Village, Patancheru Mandal, Medak Dist-502307. Telangana and at any adjournment thereof in respect of such resolution as are indicated below

Sl. No.	Resolution(s)	For	Against
1	Consider and adopt Audited Financial Statement, Report of the Board of Directors and Auditors		
2	Re-appointment of Shri C. George Joseph who retires by rotation		
3	Appointment of Auditors and fixing Remuneration		
4.	Alteration of Capital Clause of Memorandum of Association for Increase in Authorised Preference Share Capital		
5.	Alteration of Capital Clause of Articles of Association for Increase in Authorised Preference Share Capital		
6.	Issue of Non-cumulative Redeemable preference shares on preferential basis		
7.	Approve Remuneration payable to Cost Auditors		

Signature of First Proxy Holder _____

Signature of Second Proxy Holder _____

Signature of Third Proxy Holder _____

Signed this Day of 2017.

Notes:

- 1) This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. 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 shall not act as a proxy for any other person or shareholder.
- 3) A proxy need not be a member of the Company.

Signature of Shareholder

Affix a
Rs.1/-
Revenue
Stamp



GTN INDUSTRIES LIMITED

CIN NO. L18101TG1962PLC054323

Regd.Off: ChitkulVillage, PatancheruMandal, MedakDisrict- 502307 Telangana.

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ATTENDANCE SLIP

Folio No./DP ID-Client ID No.:	No. of Shares held
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Name of the Member(s) :

Registered Address :

I, hereby record my presence at the 55th ANNUAL GENERAL MEETING of GTN Industries Ltd., held on Friday, the 29th day of September , 2017 at 9.30 A.M., at Chitkul Village, Patancheru Mandal, Medak Dist. -502307 Telangana.

Signature of Shareholder/Proxy

Notes:

1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Members are informed that no duplicate slips will be issued at the venue of the meeting and are requested to bring this slip for the meeting.



GTN INDUSTRIES LIMITED

CIN NO. L18101TG1962PLC054323

Regd.Off: Chitkul Village, Patancheru Mandal, Medak District- 502307 Telangana.
Corp.Off: Plot No. 29, Nagarjuna Hills, Punjagutta, Hyderabad – 500 082 Telangana.
Website: www.gtnindustries.com; Email: sharedept@gtnindustries.com
Phone No(s). 040 43407777 Fax: 04023358400

Folio No./DP ID-Client ID No.:

Number of shares held.....

Name :

Address :

Pursuant to provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 55th Annual General Meeting to be held on Friday the 29th day of Sep, 2017 at 9.30 A.M.

The company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility .

The e-voting facility is available at the link <https://www.evoting.nsdl.com>

The electronic voting particulars are set out below:

EVEN No. (e-voting event number)	User ID	Password

The e-voting facility will be available for the 55th Annual General Meeting :

From 9.00 A.M to 5.00 P.M (IST) on 26-09-2017 to 28-09-2017.

The Cut-off date (i.e., the record date) for the purpose of e-voting is 18th August, 2017.

Please read the instructions printed below before exercising your vote. These details and instructions form an integral part of the Notice for the 55th Annual General Meeting to be held on Friday the 29th day of Sep, 2017 at 9.30 A.M.

Steps for e-voting

1. Open the internet browser and type the following URL : <https://www.evoting.nsdl.com>
2. Click on Shareholder – Login
3. If you are already registered with NSDL for e-voting , then you can use your existing User ID and Password for Login.
4. If you are logging in for the first time, please enter the User ID and Password provided in this document
5. The Password Change Menu will appear on your screen Change to a new Password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your Password confidential.
6. Once the e-Voting home page opens, click on e-Voting>Active Voting Cycles
7. Select the EVEN (E-Voting Event Number) of GTN Industries Limited (the number is provided in this document) Once you enter the number, the Cast Vote page will open. Now you are ready for e-voting.
8. Cast your vote by selecting your favored option and click Submit. Also click Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified, the message “vote cast successfully” will be displayed.
9. Institutional shareholders (i.e. members other than individuals, HUF, NRIs, etc.,) are required to send a scanned copy (PDF/JPG format) of the relevant board resolution/authority letter etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer via email at dvmgopal@gmail.com with a copy marked to evoting@nsdl.co.in
10. In case of any queries, please refer to the Frequently Asked Questions (FAQs) for members and the e-voting user manual for members available in the 'Downloads' section of <https://www.evoting.nsdl.com>. You can also contact NSDL via e-mail at evoting@nsdl.co.in

General Instructions

- a. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th August, 2017 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- b. Shri D V M Gopal, Practicing Company Secretary (Membership No. FCS 6280) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner
- c. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- d. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 18th August, 2017.
- e. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gtnindustries.com and on the website of NSDL within two days of the passing of the resolutions at the 55th Annual General Meeting of the Company on 29th Sept, 2017 and communicated to the BSE Ltd, and National Stock Exchange of India Limited.
- f. The shareholders can opt for only one mode of voting i.e., through postal ballot or e-voting. If the shareholder decides to vote through postal ballot they are advised not vote through e-voting and vice versa. In case of voting by both the modes, voting through a valid physical postal ballot form will be considered and counted and e-voting of such shareholder will be treated as invalid.

All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 55th Annual General Meeting of the Company.

**by order of the Board of Directors
for GTN Industries Limited**

Place : Hyderabad
Date : 26th May 2017

(P.Prabhakara Rao)
Company Secretary & Compliance Officer
M.No. ACS 8974



GTN INDUSTRIES LIMITED
(CIN:L18101TG1962PLC054323)

AN ISO 9001-2000 CERTIFIED COMPANY

Registered Office

Chitkul Village, Patancheru Mandal,
Medak District - 502 307, Telangana.

Corporate Office

Plot No. 29, Nagarjuna Hills, Punjagutta,
Hyderabad - 500 082, Telangana.