



GTN INDUSTRIES LIMITED

GTN
INDUSTRIES

CIN NO. L18101AP1962PLC054323

Reg. Office : Chitkul Village, Patancheru Mandal, Medak Dist., - 502 307. TS.

Corp. Office : Plot No. 29, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082. TS. Ph. No. : 040-43407777 / 804, Fax : 040-23358400.

Website: www.gtnindustries.com E-mail: sharedept@gtnindustries.com

Notice is hereby given that the **53rd** Annual General Meeting of **GTN INDUSTRIES LIMITED** will be held at the Registered Office of the Company at Chitkul Village, Patancheru Mandal, Medak District, Telangana at 10.15 A.M on Tuesday the 29th day of September, 2015 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss 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 B.L. Singhal (DIN 00006433), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri C. George Joseph (DIN 00309739), who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s.Lodha & Co., Chartered Accountants, Mumbai (Registration No.301051E), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to authorise Board of Directors to fix their remuneration.”

SPECIAL BUSINESS

5. 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 64 of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and all other applicable provisions, if any, consent of the Shareholders be and is here by accorded to increase the Authorized Redeemable Preference Share Capital of the Company from Rs.35,00,00,000 (Thirty Five Crores Only) divided into 35,00,000 (Thirty Five lacs) Preference shares of Rs. 100/- (Rupees One Hundred) each to **Rs.85,00,00,000 (Eighty Five Crores Only) divided into 85,00,000 (Eighty Five lacs) 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. 105,00,00,000 (One hundred and Five Crores Only), consisting Rs. 20,00,00,000 (Twenty Crores only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of Rs. 10/- (Rupees Ten) each and **Rs.85,00,00,000 (Eighty Five Crores Only) divided into 85,00,000 (Eighty Five lacs) Preference shares of Rs. 100/- (Rupees One Hundred) each** with the power to the Company to increase or 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 regulation 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 regulation 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 in order to reflect the increase in authorised share capital of the Company, and in order to conform to the requirements of the Companies Act, 2013, the consent of the Members are 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. 105,00,00,000 (One hundred and Five Crores Only), consisting Rs. 20,00,00,000 (Twenty Crores only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of Rs. 10/- (Rupees Ten) each and **Rs.85,00,00,000 (Eighty Five Crores Only) divided into 85,00,000 (Eighty Five lacs) Preference shares of Rs. 100/- (Rupees One Hundred) each** with the power to the Company to increase or 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 regulation 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 regulation of the Company.”

7. 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 modification thereto or re-enactment 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 50,00,000 Non-cumulative Redeemable Preference shares of Rs. 100/- (Rupees One Hundred) each on private placement basis to 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 equity shares.”

8. 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 modification or re-enactment 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, 2016.”

9. To consider, and if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company is accorded to the Board of Directors of the Company to enter into contracts and/or agreements with Related Parties as defined under the Act with respect to sale, purchase or supply of any goods or services and any other transactions of whatever nature with related party i.e., M/s.GTN Engineering (India) Ltd., up to Rs.100 Crores annually in the normal course of business and at arm's length.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

10. To consider, and if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution :

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company is accorded to the Board of Directors of the Company to enter into contracts and/or agreements with Related Parties as defined under the Act with respect to sale, purchase or supply of any goods or services or any other transactions of whatever nature with related party i.e., a) Perfect Cotton Company up to Rs.50 Crores, b) Purav Trading Ltd., up to Rs.50 Crores, c) Standard Cotton Corporation up to Rs. 50 Crores and d) Patcot Co. up to Rs. 50 Crores annually in the normal course of business and at arm's length.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

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

“**RESOLVED THAT** the consent of the Company be and is hereby accorded to the Board/Committee in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 with a security of pari-passu first charge on fixed assets of the company, present and future, along with other term lenders, Second pari- passu charge on the current assets of the company, present and future and extension of pledge of promoter's shareholding to the extent of 51% of their shareholding in the company with voting rights in favour of IDBI Bank Ltd to secure its Term Loan of Rs.600 lacs.

“**RESOLVED FURTHER THAT** Working Capital Bankers namely Central Bank of India shall have first pari-passu charge on current Assets and second pari-passu charge on all fixed assets of the company and extension of pledge of promoter's shareholding to the extent of 51% of their shareholding in the company against their enhancement in the working capital limits by Rs. 1010 lacs from their existing fund based limits of Rs.4200 lacs to Rs.5210 lacs.”

“**RESOLVED FURTHER THAT** the Board/Committee of Directors of the Company be and is hereby authorized to do all such acts and things as may be necessary for giving effect to the above resolution.”

By order of the Board
For GTN Industries Limited

Place : Hyderabad
Date : 05th August, 2015

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

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 24th Sept, 2015 to 29th Sept, 2015 (both days inclusive).
4. Pursuant to Section 124(6) of the Companies Act, 2013, unclaimed Dividend for the financial year ended 31st March, 2007 has been transferred by the Company to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013 on 22-08-2014.

Note: No dividend was declared/recommended for the financial year 2007-08 and thereafter.

5. 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.
6. Company members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

**7. Details of Directors retiring by rotation and seeking re- appointment
(In Pursuance of Clause 49 of the Listing Agreement).**

Name of the Director	Shri B.L. Singhal	Shri C.George Joseph
Date of Birth	15th April, 1947	2nd February, 1950
Date of Appointment	25th June, 1987	28th January, 2010
Qualification	Graduate in Commerce & Fellow member of the Institute of Chartered Accountants of India (ICAI)	Engineering Graduate (B.Tech)
Expertise in specific Functional Area	Practicing Chartered Accountant and a partner of M/s. B.L. Singhal & Co., Chartered Accountants, Kolkata. Having vast experience in Finance, Taxation, Company Law matters besides proficiency in accountancy	He is having experience in spinning and textile projects over a period of 25 years
Details of other Directorship	1) GTN Textiles Ltd 2) GTN Enterprises Ltd 3) Prime Urban Development India Ltd 4) ATL Textiles Processors Ltd 5) Priti Credit Pvt. Ltd 6) BLS Securities Pvt. Ltd	GTN Engineering (India) Ltd
Details of other Committee and Membership status	GTN Textiles Ltd Chairman: Audit committee Nomination & Remuneration committee GTN Enterprises Ltd Chairman: Audit Committee Nomination & Remuneration Committee Prime Urban Development India Ltd Chairman: Audit committee Stakeholders Relationship Committee	

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5 & 6

Alteration of authorized share capital and change in capital clause of Memorandum and Articles 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.5 & 6 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.55,00,00,000 (Fifty five Crores Only) consisting Rs. 20,00,00,000 (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of Rs.10/- (Rupees Ten) each and Rs.35,00,00,000 (Thirty Five Crores Only) divided into 35,00,000 (Thirty Five lacs) Preference shares of Rs. 100/- (Rupees One Hundred) each.

It is further proposed to increase the authorized share capital to Rs.105,00,00,000 (One hundred and Five Crores Only) consisting Rs. 20,00,00,000 (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) Equity Shares of Rs. 10/- (Rupees Ten) each and Rs.85,00,00,000 (Eighty Five Crores Only) divided into 85,00,000 (Eighty Five lacs) Preference shares of Rs. 100/- (Rupees One Hundred) each.

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 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 and 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. 7

Issue of Non-cumulative Redeemable Preference Shares on Private Placement Basis:

The Board of Directors on 28th May, 2015 subject to necessary approval(s), have approved the proposal for raising funds up to Rs.50,00,000,000/- (Fifty Crores only) by way of issue of Non-cumulative Redeemable Preference Shares on private placement basis to the following Group/Associate Companies, in order to increase and strengthen the capital base of the company and to meet working capital requirement and general corporate purposes.

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

- Object of the Issue: To strengthen the capital base of the company and to meet working capital requirement and general corporate purposes.
- Total number of shares to be issued : Upto 50,00,000 (Fifty lacs only) Non-cumulative Redeemable Preference shares to be issued.
- Price at which the allotment is proposed: Rs.100/- each.
- Class of persons to whom the allotment is proposed to be made: Group/Associate companies.
- 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.

- 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.
- 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	1500000	83.33	8500000	100%
2	JEL Finance & Investments Ltd	Associate	300000	16.67		

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

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)	Nil	Nil	Nil	Nil
B	Non-Promoters' Holding				
1	Institutional Investors	92030	0.53	92030	0.53
2	Non-Institutions				
	Private Corporate Bodies	329871	1.88	329871	1.88
	Directors and Relatives	9680	0.05	9680	0.05
	Indian Public	4045502	23.06	4045502	23.06
	Others(includingNRIs)	24472	0.14	24472	0.14
	Sub Total (B)	4501555	25.66	4501555	25.66
	Grand Total	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, 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.8

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 service tax and reimbursement of out of pocket expenses for the financial year ending March 31, 2016.

Accordingly, approval of the members is being sought for the proposal contained in the resolution set out at item no.8 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 and propose to pass the resolution set out at item no.8 of the notice as an Ordinary Resolution

Item No.9 & 10

Pursuant to Section 188 and all other applicable provisions, if any, of the Companies Act, 2013, the Company can enter into transactions mentioned under aforesaid resolution(s), which are in the ordinary course of business and at arm's length. However the approval of the shareholders is required by way of a Ordinary resolution if the transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

Item No.11

The Company has been sanctioned a term loan of Rs.600 lacs by IDBI Bank Ltd. The said financial assistance has to be secured by an appropriate first pari-passu charge on fixed assets of the company, present and future, along with other term lenders, Second pari-passu charge on the current assets of the company, present and future and extension of pledge of promoter's shareholding to the extent of 51% of their shareholding in the company with a voting rights in favour of IDBI Bank Ltd.

Further the Company has been sanctioned by way of enhancement of Fund based working capital limits by Rs.1010 lacs from Central Bank of India to be secured by first pari-passu charge on current Assets and second pari-passu charge on all fixed assets of the company and extension of pledge of promoter's shareholding to the extent of 51% of their shareholding in the company against their enhancement in the working capital limits by Rs.1010 lacs from their existing fund based limits of Rs.4200 lacs to Rs.5210 lacs.

The Board/Committee has discussed and approved the same in meeting held on 5th August, 2015.

Since the mortgage by the Company of its Fixed Assets and movable assets, in favour of IDBI Bank Ltd and Central Bank of India as stated above, it is necessary for the members to pass a resolution under Section 180 (1)(a) of the Companies Act, 2013. Copy of sanction letters received from IDBI Bank Ltd and Central Bank of India are open for inspection at the Registered Office of the Company on any working day prior to the meeting.

None of the Directors are concerned and interested in the resolution.

Your Directors recommend this resolution for approval.

By order of the Board
For GTN Industries Limited

Place : Hyderabad
Date : 05th August, 2015

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

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 M/s Integrated Enterprises (India) Ltd.
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.