GTN INDUSTRIES LIMITED

CIN NO. L18101AP1962PLC054323

Reg.Office : Chitkul Village, Patancheru Mandal, Medak Dist., - 502 307. Telangana State.
Corp. Office : Plot No. 29, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082. Telangana State.
Ph. No. : 040-43407777 / 804, Fax : 040-23358400.
Website: www.gtnindustries.com E-mail: sharedept@gtnindustries.com

POSTAL BALLOT NOTICE
(Pursuant to Section 110 of the Companies Act, 2013)

Dear Member(s)

NOTICE is hereby given to the Members of **GTN Industries Limited**, pursuant to the new provisions of Section 110 of the Companies Act , 2013 read with the Companies (Management and Administration) Rules, 2014, for passing the following "Special Resolution" under Section 180(1)(a) to seek fresh approval from members to hive off/dispose off of the Yarn Processing and Knitting Units which was approved by members of the Company through postal ballot on 5th Sep, 2013. However, after enacting the new Companies Act, 2013, the resolutions passed on 5th Sep,2013 is valid for one year i.e., up to 4th Sept, 2014. Hence, the Board request the shareholders to extend your consent to have a continuity of approval under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 for the said purpose by passing fresh resolution under the said section.

This hive off/dispose off the units are being made to M/s GTN Engineering (India) Limited which is a group company and attracts provisions of Section 188 of the Companies Act. As per the amended provisions of Section 180 (1) (a) and 188 and other applicable provisions, if any, of the Companies Act, 2013. Proposed Special Resolution and the Explanatory Statement along with the Postal Ballot form are being sent to you for your consideration.

The Company has appointed Mr.D.V.M.Gopal, FCS, proprietor of D.V.M. Gopal & Associates, Company Secretaries, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed in the attached self addressed Postage pre-paid envelope so as to reach the Scrutinizer on or before 6.30 P. M. on 7th October, 2014.

E Voting Option

Members may note that as required under the Provisions of Section 108, 110 and other applicable provisions (if any) of the Companies Act, 2013 and the rules as applicable in that regard and Clause 35B of the Listing Agreement, the Company has engaged the services of National Securities Depositories Limited to provide e-voting facility to members of the Company. Only members entitle to vote are entitled to fill in the Postal Ballot Form and send it to the Scrutinizer or vote under the e-voting facility offered by the Company, and any other recipient of the Notice who has voting rights should treat the Notice as an intimation only.

Therefore, we are pleased to offer e-voting facility also an alternative which would enable you to cast your votes electronically, instead of physical postal ballot form. E-voting is optional Please carefully read and follow the Instructions on e-voting printed in the Postal Ballot Form References to Postal Ballot(s) below include votes received electronically.

The shareholders can opt for only one mode of voting i.e., through postal ballot or e-voting wherever applicable. If the shareholder decides to vote through postal ballot they are advised not to 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.

Postal Ballot Form received after this date i.e., after 6.30 P.M. of 7th October, 2014 will be considered invalid. The Scrutinizer will submit his report to the Chairman & Managing Director or, in his absence to the Company Secretary of the Company as authorized by the Board of Directors of the Company after the completion of scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced on 9th October, 2014 at the Registered Office of the Company at Chitkul Village, Patancheru Mandal, Medak District - 502 307, Telangana.State

PROPOSED SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolution by Postal Ballot as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 180 (1)(a) read with Section 110, Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company and subject to such other consents, sanctions, permissions and necessary approvals, as and where required including that of Financial Institutions, Banks and other Lenders from whom the Company has borrowed money, and subject to such terms and conditions, as may be imposed by them or any of them and accepted by the Board of Directors of the Company ("the Board"), consent of the shareholders of the Company be and is hereby accorded to the Board for extention of consent from 05-09-2014 to hive off, by way of sale/ dispose off in any form or mode or manner, including by way of slump sale or hiving off the whole or substantially the whole of the business undertaking of the Company i.e. Yarn Processing Unit situated at Gundlapotlapally Village, Balanagar Mandal, Mahaboobnagar District and Knitting Unit situated at Chitkul Village, Patancheru Mandal, Medak District, in the State of Telangana with all its Assets and Liabilities on a going concern basis, to M/s. GTN Engineering (India) Limited for Rs.30.50 Crores on such terms and conditions as the Board may consider fit and proper in the interest of the Company and to do all such acts, deeds, matters and things, as may be considered necessary and expedient in connection therewith and incidental thereto."

"RESOLVED FURTHER THAT in pursuance of Section 188 and other applicable provisions of the Companies Act, 2013 and subject to pending statutory approvals and subject to such terms and conditions, as may be imposed by them or any of them and accepted by the Board of Directors of the Company ("the Board") (which term shall deemed to include any committee constituted and/or to be constituted for exercising its powers, including the powers conferred by this Resolution thereof) consent of the shareholders of the Company be and is hereby accorded to the Board for Hive off / Dispose off Yarn Processing and Knitting Units with all its Assets and Liabilities on a going concern basis, to M/s. GTN Engineering (India) Limited."

For GTN INDUSTRIES LTD.

(P. PRABHAKARA RAO)
Company Secretary

"**RESOLVED FURTHER THAT** the Board or its Committee or persons authorized by the Board/Committee, be and is hereby authorized to do all such acts, deeds, matters and things, as may be deemed necessary and/or expedient in its discretion, in the best interest of the Company, for the purpose of giving effect to the Resolution for sale/ dispose off, in any form or mode or in any other manner, the whole or substantially the whole of the Yarn Processing Unit and Knitting Unit as may arise in implementation of the aforesaid Resolution."

By order of the Board
For GTN Industries Limited

(P.Prabhakara Rao)
Company Secretary & Compliance Officer

Place : 7th August, 2014
Date : Hyderabad

'NOTES:

1) Explanatory Statement giving reasons for the above Special Resolution is annexed to forming part of this Notice.
2) A Postal Ballot Form along with pre-paid self addressed envelope is attached hereto.
3) A Member entitled to vote is entitled to fill in and sign the Postal Ballot Form and send it to the Scrutinizer
4) The Notice is being sent to all the Members whose names appear in the Register of Members/ Record of Depositories as on 22-08-2014.(cutt off date / record date) Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on that date and time. The opening of E-voting facility for postal ballot commence from 9.30 A.M. (IST) on 8th September, 2014 to close by 6.30 P.M. (IST) on 7th October, 2014.
5) The Company is pleased to offer e-voting facility as an alternate, for all its Members to enable them to cast their vote electronically instead of dispatching the Postal Ballot.
6) If the Member has voted differently in both physical as well as electronic modes, votes cast by way of Physical Postal Ballot would be considered valid.
7) The Result of the Postal Ballot will be announced through Press advertisements for information of the Members and will be placed at the Website of the Company www.gtnindustries.com, besides communicating to the Stock Exchange on which the shares of the Company are listed.
8) Members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote for the proposed resolution which requires consent of the shareholders.

Explanatory Statement pursuant to the provisions of Section 102 and 110 of the Companies Act, 2013

The resolution which was approved by the Shareholders of the Company on 5th Sept, 2013, to hive off/dispose off its Yarn Processing Unit (YPU) and Knitting Unit on a Slump Sale basis at a total consideration of Rs.30.50 Crores (Rupees Thirty Crores and Fifty Lakhs Only) to GTN Engineering (India) Limited .Even though, your consent is obtained, it is in the process and likely to be completed by Sept/Oct, 2014..

However, after the enacting the new Companies Act, 2013, the resolutions passed before implementation of the new act is valid for one year i.e., up to 4th Sept, 2014. Hence, the Board request the shareholders to extend your consent under Section 180 (1)(a) and other applicable provisions of the Companies Act, 2013 for the said purpose by passing fresh resolution.

The provisions of Section 188 of the Companies Act, 2013 and Provisions of SEBI applicable as this transaction relates to Sale of units to M/S.GTN Engineering (India) Limited which is a related party.

(a) Name of the related party : GTN Engineering(India) Limited

(b) Name of the director or key managerial personnel who is related, if any : Shri. M.K.Patodia & Shri C.R.Gang

(c) Nature of relationship: As Member/Director of the Company

(d) Nature, material terms, monetary value and particulars of the contract or arrangement:

Sale/dispose off Yarn Processing and Knitting Units for Rs.30.50 Crores in addition to transactions of sale/purchase or supply of any goods or services or any transactions upto Rs.40.00 Crores annually in the normal course of business at arm's length and issue of preference shares for Rs.25 crores.

(e) Any other information relevant or important for the members to take a decision on the proposed resolution: As stated above.

Except Shri M.K.Patodia, Chairman & Managing Director and Shri C.R.Gang, CFO of the Company, none of other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in the Notice.

The Board of the Company accordingly recommends the Special Resolution, set out in the accompanying Notice for approval by the Members, by way of Postal Ballot.

By order of the Board
For GTN Industries Limited

For GTN INDUSTRIES LTD.

(P.PRABHAKARA RAO)
Company Secretary

(P.Prabhakara Rao)
Company Secretary & Compliance Officer

Place : 7th August, 2014
Date : Hyderabad

GTN INDUSTRIES LIMITED

CIN NO. L18101AP1962PLC054323

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POSTAL BALLOT FORM

(to be returned to the Company) Serial No.:

1. Name(s) and Registered Address of the Sole/First Named Shareholder(s) :

2. Name(s) of the Joint holder(s) if any (in block letters) :

3. Registered Folio Numbers*/ DP.ID No./Client ID No. (*Applicable to shareholders holding shares in physical form) :

4. Number of Share held :

5. I/We hereby exercise my/our vote(s) in respect of the Ordinary Resolution to be passed through postal ballot in respect of business stated in the Postal Ballot Notice dated 7th Aug, 2014 by sending my/our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below :

Description of the Resolution	No. of Shares	Please mark the tick	
		I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Special Resolution seeking approval under Section 180(1)(a) and 188 and other applicable provisions, if any, of the Companies Act, 2013 for Sale/dispose off the Whole or Substantially the Whole of the Undertaking viz. Yarn processing Unit and Knitting Unit of the Company.			

Place
Date

(Signature of the Shareholder)

Notes/Instructions

1. A shareholder desiring to exercise his/her vote by Postal Ballot may complete this form and send it to the Scrutinizer appointed by the Company, in the attached prepaid self addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot form, if sent through courier/registered post at the expense of the Registered Shareholder will also be accepted or if deposited with the Company, in person, will also be accepted.
2. The Postal Ballot Form should be completed and signed by the shareholders. In case of joint holding, this form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder as per the specimen signature registered with the Company/Depositories as the case may be.
3. In case of shares held by the Companies, trustees, Societies, the duly completed postal Ballot Form should be accompanied by a certified true copy of the Board resolution/authority to the person voting on the Postal Ballot Form. A Member may sign the form through an Attorney appointed specifically for this purpose in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.
4. Voting rights through a Postal Ballot cannot be exercised by a proxy.
5. Duly completed Postal Ballot Forms should be received by the Scrutinizer on or before 6.30 P. M. on 7th October, 2014.
6. **Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.**
7. A Shareholder may request for a duplicate Postal Ballot form if so, required. At such requests should be addressed to the Company Corporate office at Plot No. 29, Nagarjuna Hills, Punjagutta, Hyderabad-500082, Telangana, through E-mail I.D.sharedept@gtnindustries.com. However, the duplicate Postal Ballot Form, duly filled in, in any case should reach the Scrutinizer, on or before 6.30 P. M. on 7th October, 2014.

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Folio No./DP ID -Client ID No.: Number of share held.....

Name :
Address :

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, GTN Industries Limited is offering e-voting facility to its members to cast their votes electronically in respect of the business transacted in the Notice for conducting the Postal Ballot under section 110 of the companies Act, 2013.

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 hyperlink 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 Postal Ballot

From 9.30 A.M (IST) on 8th September, 2014 to 6.30 P.M on 7th October, 2014

The Cut-off date (i.e., the record date) for the purpose of e-voting is 22nd August, 2014

Please read the instructions printed below before exercising your vote. These details and instructions form an integral part of the Notice for Postal Ballot.

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. Upon confirmation, the message "vote cast successfully" will be displayed.
9. Corporate/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 https://www.evoting.nsdl.com
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 https://www.evoting.nsdl.com

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 22nd Aug, 2014 and not casting their vote electronically, only cast through Postal Ballot.

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 22nd Aug, 2014

e. The results declared by 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 through Postal Ballot and communicated to the BSE Ltd, 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 Postal Ballot of the Company.

by order of the Board of Directors
for GTN Industries Limited

Place : Hyderabad
Date : 7th August, 2014

(P.Prabhakara Rao)
Company Secretary & Compliance Officer