



<p><b>F. Management</b></p> <p>(i) Management Discussion and Analysis Report and disclosures of all material financial and commercial transactions.</p> <p>(ii) Senior management to disclose to the Board all material financial and commercial transactions in which they have personal interest that may have a potential conflict with the interest of the Company at large.</p>	<p>49 (IV F)</p>	<p>Yes</p>
<p><b>G. Shareholders</b></p> <p>(i) Required details of appointment of new Director or re-appointment of a Director forms part of the Annual Report of the Company.</p> <p>(ii) Quarterly Results are put on the Company's website</p> <p>(iii) The Company has a Shareholders/Investor Grievance Committee. The Chairman of the Committee is a non-executive director. The Committee looks into the redressal of investors grievance and all other matters related to shares.</p> <p>(iv) The above Committee has the power of share transfer, transmission, rematerialisation, consolidation, split, duplicate. In addition, the Company has also delegated the work relating to transfer of shares etc. to Registrar and Share Transfer Agents.</p>	<p>49 (IV G)</p>	<p>Yes</p>
<p><b>V. CEO / CFO Certification</b></p> <p>Certification to the Board by the Managing Director and Chief Financial Officer of having reviewed the financial statements for the year.</p>	<p>49 (IV)</p>	<p>Yes</p>
<p><b>VI. Report on Corporate Governance</b></p> <p>(i) Detailed compliance report on Corporate Governance to form part of Annual Report of the Company.</p> <p>(ii) Submission of quarterly compliances report to the Bombay Stock Exchange Ltd.</p>	<p>49 (VI)</p>	<p>Yes</p>
<p><b>VII. Compliance</b></p> <p>Certification by the auditors or practising company secretary on compliance of conditions of Corporate Governance.</p>	<p>49 (VII)</p>	<p>Yes</p>

2nd January, 2012

For GOKAK TEXTILES LIMITED

*R. Ramamanda Prasad*

(R. Ramamanda Prasad)  
Company Secretary



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<p><b>E. Review of Information by Audit Committee</b> The Audit Committee inter-alia reviews management discussion and analysis of financial conditions and results of operations, significant related party transactions, internal audit reports, management letters of internal control weaknesses issued by the statutory auditors, appointment, removal and terms of remuneration of internal auditors, etc.</p>	<p>49 (II E)</p>	<p>Yes</p>	<p>The Company does not have any Subsidiary.</p>
<p><b>III. Subsidiary Companies</b></p> <p><b>IV. Disclosures</b></p> <p><b>A. Basis of Related Party Transactions</b> (i) Materially significant related party transactions are placed before the audit committee as a part of the Annual Accounts. (ii) &amp; (iii) The Company does not have any material individual transactions with related parties which are not in the normal course of business.</p>	<p>49 (III) 49 (IV)</p>	<p>N.A. Yes</p>	<p>However this will be placed as and when such transaction takes place. Will be disclosed in the financial statements as and when applicable.</p>
<p><b>B. Disclosure of Accounting Treatment</b> The Company adheres to the Accounting Standards while preparing financial statements. Whenever, the treatment is different from that prescribed in an Accounting Standard, the fact is disclosed in financial statements together with the explanation of the Management in the Corporate Governance Report.</p>	<p>49 (IV B)</p>	<p>Yes</p>	<p>Appropriate quarterly and annual disclosures will be made when money is raised through an issue.</p>
<p><b>C. Board Disclosures - Risk Management</b> Procedure to inform the Board members about risk assessment and minimization procedures and its periodical review.</p>	<p>49 (IV C)</p>	<p>Yes</p>	<p>Such disclosure would be taken prior to their appointment.</p>
<p><b>D. Proceeds from public issues, rights issues, preferential issues etc.</b> Disclosure to audit committee, the uses/applications of funds on a quarterly and annual basis.</p>	<p>49 (IV D)</p>	<p>Yes</p>	<p></p>
<p><b>E. Remuneration of Directors</b> (i) All pecuniary relationship or transactions of all non-executive directors vis-a-vis the company if any, are disclosed in the Annual Report. (ii) Appropriate disclosures on the remuneration of directors are made in the section on the corporate governance of the annual report. (iii) The Company shall publish the criteria of making payments to non-executive directors in its annual report. (iv) The Company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report. (v) Disclosure by the Non-executive directors of their shareholdings in the Company in which they are proposed to be appointed as directors prior to their appointment.</p>	<p>49 (IV E)</p>	<p>Yes</p>	<p></p>





**Quarterly Compliance Report on Corporate Governance**

Name of the Company: **GOKAK TEXTILES LIMITED**

Quarter ending on: **31st December, 2011**

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
<b>I. Board of Directors</b>	<b>49 (I)</b>	Yes	
<b>A. Composition of Board</b>	<b>49 (I A)</b>	Yes	
<p>(i) The Board of Directors consists of 10 members, of these the Executive Director &amp; CEO is the whole-time Director and the remaining 9 are Non-Executive Directors.</p> <p>(ii) The Company has Non-Executive Chairman who is a Promoter Director. The Company has at present 5 (five) independent directors.</p>			
<p><b>B. Non-Executive Directors' Compensation &amp; Disclosures</b></p> <p>The compensation paid to non-executive director is proposed by the Remuneration Committee and approved by the Board of Directors as well as shareholders in general meeting.</p> <p>At present the Company has no Stock Option Scheme.</p>	<b>49 (I B)</b>	Yes	
<p><b>C. Other provisions as to Board and Committees</b></p> <p>(i) 4 (four) Board Meetings were held during the financial year 2010-11 and the time gap between 2(two) meetings does not exceed 4 months.</p> <p>(ii) None of the Directors of the Company is a member in more than 10 Committees or acts as the Chairman of more than 5 Committees across all companies in which he is a Director.</p> <p>Every Director of the Company informs the Company about the committee position he occupies in other Companies annually and notifies changes as and when they take place.</p> <p>(iii) The Board shall periodically review compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.</p>	<b>49 (I C)</b>	Yes	
<p><b>D. Code of Conduct</b></p> <p>(i) The Code of Conduct for all Board members and Senior management of the Company is laid down and posted on the website <a href="http://www.gokakmills.com">www.gokakmills.com</a></p> <p>(ii) An affirmation from all Board Members and Senior Management for compliance is obtained on annual basis.</p> <p>The Annual Report of the Company to contain a declaration to this effect, signed by the CEO.</p>	<b>49 (I D)</b>	Yes	