



# GOKAK TEXTILES LIMITED

CIN : L17116KA2006PLC038839

Registered Office : No.24, 29th Main, BTM Layout II Stage, Bangalore- 560 076

Tel No. 080 26689605 / 26689606

E-mail : ramanandapai@gokaktextiles.com website : www.gokakmills.com

## NOTICE

NOTICE is hereby given that the Extra-Ordinary General Meeting of the Members of Gokak Textiles Limited will be held on Friday, the 18<sup>th</sup> September, 2015 at 3.00 p.m. at Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560001 to transact the following business :

### **Item No.1. Increasing the Authorised Share Capital and Alteration of Capital Clause of Memorandum of Association :**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

**“RESOLVED** that, pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Authorized Share Capital of the Company of Rs.7,00,00,000 (Rupees Seven crore) divided into 70,00,000 (Seventy lakhs) Equity Shares of Rs.10 each be and is hereby increased to Rs. 27,00,00,000 (Rupees Twenty Seven crore) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs.10 each and 2,00,00,000 (Rupees Two crore) Non-cumulative, Non-convertible, Redeemable, Preference Shares of Rs.10 each and that the existing Clause V of the Memorandum of Association of the Company be and is hereby altered as under :

*V. “The Authorized Share Capital of the Company is Rs. 27,00,00,000 (Rupees Twenty Seven crore) divided into 70,00,000 (Seventy lakhs) Equity Shares of Rs. 10 (Rupees Ten) each and 2,00,00,000 (Two crore) Non-cumulative, Non-convertible, Redeemable Preference Shares of Rs.10 (Rupees Ten) each with the power to increase or reduce, subdivide, consolidate, convert the Share Capital for the time being into several classes, and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Companies Act, 2013 for the time being in force and regulations of the Company and to vary, modify or abrogate such rights”.*

**“RESOLVED FURTHER** that each of the Directors/ Company Secretary of the Company severally, be and is hereby authorized to do all such acts, deeds, things and matters as may deemed expedient, desirable and necessary to give effect to this resolution, including filing of necessary e-forms with the Registrar of Companies and take all actions necessary and/or incidental for the purpose”.

### **Item no.2 – Alteration of Articles of Association :**

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 14 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the existing Articles of Association of the Company be and is hereby altered as under :

*“The existing Article no. 4 in the Articles of Association of the Company be and is hereby deleted”.*

**“RESOLVED FURTHER** that each of the Directors/ Company Secretary of the Company severally, be and is hereby authorized to do all such acts, deeds, things and matters as may deemed expedient, desirable and necessary to give effect to this resolution, including filing of necessary e-forms with the Registrar of Companies and take all actions necessary and/or incidental for the purpose”.

### **Item No.3. Issue and Offer of Non-cumulative, Non-convertible, Redeemable Preference Shares on a Private Placement basis :**

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

**“RESOLVED** that in accordance with the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Rules framed there under, as may be amended from time to time, and the Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof constituted/ to be constituted for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to offer or invite to subscribe, issue and allot, such number of Preference Shares of the Company of the face value of Rs.10/- each, for an aggregate value not exceeding Rs.20 crore, as Non-cumulative, Non-convertible, Redeemable Preference Shares (“NCRPS”), for cash at par, on a private placement basis, to Promoter/Promoter Group or such person or persons and in such proportion and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.”

**“RESOLVED FURTHER** that in accordance with provisions of Section 43 of the Act, the Non-cumulative, Non-convertible, Redeemable Preference Shares (NCRPS) shall be nonparticipating, redeemable before 20 years from the date of their issue, carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Act.”

“**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to agree and to make such modification (s) and alternation (s) from time to time as it deems fit and to take all such steps as it may deem necessary, desirable or expedient including issuance of 'Letter of Offer' as may be prescribed under the Act and the Rules made thereunder and to resolve all questions of doubts and to do all acts, deeds and things and execute all such deeds, documents, writings, in connection therewith and incidental thereto and the Board in its absolute discretion without being required to seek any fresh approval of the members of the Company and the decision of the Board shall be final and conclusive and also to pay such fees and incur such expenses in relation thereto as it may deem appropriate.”

**Item No.4 - Appointment of Mr.Sachin Kulkarni as the Whole time Director and a Key Managerial Personnel :**

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

“**RESOLVED** that pursuant to the provisions of Section 196, 197, 198 and 203 other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V thereto as amended (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded to the appointment of Mr.Sachin Kulkarni (DIN 06787605) as the Whole time Director and a Key Managerial Personnel of the Company for a period of 3 years with effect from 13.07.2015 on the remuneration and upon the terms and conditions including minimum remuneration payable to him in case of inadequacy of profits in any year as set out in the draft Agreement of the appointment to be entered into between the Company and Mr.Sachin Kulkarni placed before this meeting and initiated by the Chairman for the purpose of identification”.

“**RESOLVED FURTHER** that the Board of Directors ( hereinafter referred to as “Board” which term shall be deemed to include Nomination and Remuneration Committee to exercise its powers including powers conferred by this resolution) of the Company be and is hereby authorised to vary, expand, enhance, enlarge, widen or alter the scope of the remuneration and perquisites, including the monetary value thereof from time to time as it may, in its discretion, deem fit, within the limit stipulated under the said draft Agreement and within the intention being that no further approval of the Members of the Company will be required as long as remuneration of the Whole time Director is not in excess of the maximum permissible limits under Schedule V of the Companies Act, 2013 and all other relevant law, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting”.

“**RESOLVED FURTHER** that the Board of Directors of the Company be and are hereby authorized to take such steps and do all other acts, deeds, things and matters as in its absolute discretion it may consider necessary, expedient or desirable to give effect to this resolution and/or incidental thereto”.

For and on behalf of the  
Board of Directors

Sachin Kulkarni  
Whole time Director

Mumbai  
28<sup>th</sup> July, 2015

Registered Office :  
No.24, 29<sup>th</sup> Main,  
BTM Layout II Stage,  
Bangalore – 560 076

**NOTES :**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted in respect of item nos. 1 to 4 is annexed hereto.
2. (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. AN INSTRUMENT OF APPOINTMENT OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME SCHEDULED FOR COMMENCEMENT OF THE MEETING.**
  - (b) Pursuant to the provisions of 105 of the Companies Act, 2013, a Person can act as Proxy on behalf of Members not exceeding 50(fifty) and holding in aggregate not more than 10% of the total Share Capital of the Company. Members holding more than 10%, of the total Share Capital of the Company may appoint a single person as Proxy and such person shall not act as Proxy for any other Member. Proxies submitted on behalf of Limited Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable. A proxy form for the Extra Ordinary General Meeting is enclosed.
  - (c) A Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, provided that not less than three days of notice in writing is given to the Company.
3.  **Voting through electronic means (Remote e-voting) :** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the listing agreement , the Company is pleased to provide e-voting facility to the Members to exercise their right to vote electronically on all the items/resolutions set forth in the Notice of the Extra Ordinary General Meeting of the Company to be held on 18<sup>th</sup> September, 2015. Instructions relating to e-voting facility forming part of this notice is annexed to this Notes.

4. **Voting through Postal Ballot** : Members who do not have access to e-voting facility may send duly completed Ballot Form in the enclosed self-addressed pre-paid postage envelope (enclosed with the Notice) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. B S Srinivas, Practising Company Secretary not later than 5.00 p.m. on 17<sup>th</sup> September, 2015. Ballot Forms received after this date and time will be treated as invalid. Ballot Forms deposited in person or sent by post or courier at the expenses of the Member will also be accepted.
5. **Poll at the Meeting** : After all the items of the notice have been discussed, the Chairman of the Meeting will order Poll in respect of all the items. Poll will be conducted and supervised under Scrutinizer appointed by the Company viz., Mr.B S Srinivas, Practising Company Secretary or Mr.R Kiran Desai, Practising Company Secretary for the purpose of conducting e-voting process. The results of the Poll aggregated with the results of postal ballot and e-voting will be announced by the Company on its website [www.gokakmills.com](http://www.gokakmills.com) on 21<sup>st</sup> September, 2015 at 11.00 a.m. at the Registered Office of the Company and also inform the Bombay Stock Exchange Ltd.,
6. Member(s) can opt for only one mode of voting i.e. e-voting or postal ballot or poll at the Extra Ordinary General Meeting. In case a Member has cast multiple votes, then voting done by e-voting will be treated as valid.
7. Members/Proxies are requested to bring their copy of duly-filled Attendance slips sent herewith to attend the meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Registrar of Members will be entitled to vote.
9. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company authorizing their representative to attend and vote on their behalf at the Meeting.
10. All the documents referred to in Statement pursuant to Section 102 of the Companies Act, 2013 will be available for inspection during normal business hours (9.30 a.m. to 5.00 p.m. Monday to Friday) on all working days upto the date of the declaration of the results of the Extra Ordinary General Meeting of the Company.
11. Your company has sent Notice of Extra Ordinary General Meeting, Process and manner of e-voting etc., along with Attendance Slip and Proxy Form by electronic mode to the e-mail IDs registered by you with your Depository Participant or registered with the Registrar & Transfer Agent unless any Members has requested for a physical copy of the same. For Members who have not registered their e-mail address, physical copies of Notice etc., are being sent by the permitted mode.
12. To support the 'Green Initiative', the Members holding shares in dematerialised form are requested to update / register their e-mail address with their Depository Participant and Members holding shares in physical mode are requested to update / register their e-mail address with [tsrdlbgang@tsrdarashaw.com](mailto:tsrdlbgang@tsrdarashaw.com), or [ramanandapai@gokaktextiles.com](mailto:ramanandapai@gokaktextiles.com) so as to ensure that all communications reach them on their preferred e-mail ID.
13. Please address all communications including lodging of Transfer Deeds to

**REGISTRARS AND SHARE TRANSFER AGENTS**

TSR Darashaw Ltd.,  
UNIT: GOKAK TEXTILES LIMITED  
6-10, Haji Moosa Patrawala Industrial Estate,  
20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011  
Tel. : 91 22 66568484, Fax. :91 22 66568494  
Business Hours : 10.00 a.m. to 3.30 p.m. (Monday to Friday)  
Email : [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)

**Branch Office :**

TSR Darashaw Ltd.  
503, Barton Centre, 5<sup>th</sup> floor,  
84, Mahatma Gandhi Road,  
Bangalore 560 001  
Tel.:080-25320321  
Fax:080-25580019  
[email:tsrdlbgang@tsrdarashaw.com](mailto:email:tsrdlbgang@tsrdarashaw.com)

Investors, if they so prefer, can send transfer request, correspondence and queries to the Company at the following address –

Company Secretary  
GOKAK TEXTILES LIMITED  
No.24, 29<sup>th</sup> Main, BTM Layout II Stage  
Bangalore – 560 076  
Telephone: 080 26689605, 080 26685094 Email. [ramanandapai@gokaktextiles.com](mailto:ramanandapai@gokaktextiles.com)

**Kindly quote your Ledger Folio No./Client ID No.**

#### 14. **VOTING THROUGH ELECTRONIC MEANS- REMOTE E-VOTING**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, your Company is pleased to provide e-voting facility to the Members holding equity shares either in physical or in dematerialised form as on 14<sup>th</sup> August, 2015 (cut-off date) are entitled to cast their vote electronically on all the resolutions set forth in this Notice of the Extra Ordinary General Meeting to be held on 18<sup>th</sup> September, 2015.
2. The Members not casting their vote electronically, may cast their vote through Postal Ballot Form or Poll at the Extra Ordinary General Meeting. The voting rights of Members shall be in proportion to their shares of the paid-up-equity share capital of the Company as on cut-off date.
3. 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>
4. The Electronic Voting Event Number (EVEN), User ID and User e-voting particulars are set out in the Ballot Form as stated below :

| Electronic Voting Event Number (EVEN) | User ID   | Password |
|---------------------------------------|---|----------|
| 102390                                | Provided in the Ballot Form enclosed on the top of the Notice |          |

5. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be for a minimum period of 3 days prior and upto 5.00 p.m. on the previous date of the Extra Ordinary General Meeting. Accordingly, the e-voting facility will be available during the following voting period:  
  
Commencement of e-voting : From 10.00 AM (IST) on 14<sup>th</sup> September, 2015  
End of e-voting : Upto 5.00 PM (IST) on 17<sup>th</sup> September, 2015
6. The voting shall not be allowed after the end of e-voting period. The e-voting module shall be disabled by National Securities Depository Ltd., (NSDL) for voting thereafter. Once the vote on a resolution is cast by the Member by e-voting, the Member shall not be allowed to change it subsequently.

#### 15. **INSTRUCTIONS AND OTHER INFORMATION RELATING TO REMOTE E-VOTING ARE AS UNDER:**

The Members holding shares either in physical form or in dematerialised form, as on 14<sup>th</sup> August, 2015 (cut-off date) are entitled to cast their vote electronically on all the resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares of the paid-up-equity share capital of the Company as on cut-off date.

- I. In case of a Member receives an e-mail from TSR Darashaw Limited to their Registered e-mail ID
  - (a) Open the e-mail and also open PDF File namely 'GTL e-voting.pdf' with Client ID or Folio Number as password. The said .PDF file contains your User ID and Password for e-voting. Please note that the password provided in .PDF is an Initial Password.
  - (b) Open the internet browser and type the URL <https://www.evoting.nsdl.com>
  - (c) Click on Shareholder – Login
  - (d) If you are already registered with National Securities Depositories Ltd., (NSDL) for e-voting, then you can use your existing user ID and password for Login.
  - (e) If you are logging in for the first time, please enter the User ID and Password provided in the Ballot Form.
  - (f) Insert User-ID and Initial Password as noted in step (a) above and click 'Login'
  - (g) The Password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains minimum of 8 digits or characters or a combination of both. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
  - (h) Home page of e-voting will open. Click on e-Voting > Active Voting Cycles.
  - (i) Select 'EVEN' (E-Voting Event Number) of Gokak Textiles Limited which is 102390. Once you enter the number, the 'Cast Vote' page will open and now you are ready for e-voting
  - (j) Cast your vote by selecting appropriate option and click on 'Submit'. Also click on 'Confirm' when prompted. Upon confirmation, the message 'Vote cast successfully' will be displayed.
  - (k) Once you have voted on a resolution, you will not be allowed to modify your vote. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Extra Ordinary General Meeting.
  - (l) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer through an e-mail at [srinivas.cosecsri.com](mailto:srinivas.cosecsri.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**II. In case of a Member receives physical copy of the Notice of Extra Ordinary General Meeting (EGM) :**

(i) Initial Password is provided, as follows, in the Ballot Form enclosed on the top of the Notice.

| EVEN (E-voting Event Number) | User ID   | Password |
|------------------------------|---|----------|
| 102390                       | Provided in the Ballot Form enclosed on the top of this Notice of EGM |          |

Please follow all steps from Sr. No. (a) to Sr. No. (j) above, to cast your vote.

(ii) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the 'Downloads' section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL by e-mail at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**III. Other Instructions :**

1. Member(s) can opt for only one mode of voting i.e. either e-voting or Postal Ballot or Poll at the Extra-Ordinary General Meeting. In case a member has cast multiple votes, then voting done by e-voting will be treated as valid.
2. A copy of the said Notice of the Extra Ordinary General Meeting and e-voting instructions are also available on the website of the Company viz., [www.gokakmills.com](http://www.gokakmills.com) under Investor Corner.
3. Mr. B.S.Srinivas Practising Company Secretary / Mr. Kiran Desai, Practising Company Secretary, Bangalore has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Forms received from the Members through post or Poll at the Extra-Ordinary General Meeting) in a fair and transparent manner.
4. The Scrutinizer shall, immediately after the conclusion of voting at the EGM, unlock the votes in the presence of at least 2 (two) witnesses, not in employment of the Company and make not later than 3 (three) days a Consolidated Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
5. The Scrutinizer's decision on the validity of the vote shall be final and binding.
6. The Results shall be declared on 21<sup>st</sup> September, 2015 at 11.00 a.m. at the Registered Office of the Company. The Results declared alongwith the Consolidated Scrutinizer's Report shall be placed on the Company's website [www.gokakmills.com](http://www.gokakmills.com) under 'Investor Corner' and the e-voting website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) on 21<sup>st</sup> September, 2015 and shall also be communicated to the Bombay Stock Exchange Ltd. where the shares of the Company are listed.
7. The Results on resolutions shall be declared at or after the Extra Ordinary General Meeting of the Company and the resolutions will be deemed to be passed on the date of the Extra Ordinary General Meeting, subject to receipt of requisite number of votes in favour, through a compilation of e-voting, Postal Ballot and voting held at the Extra Ordinary General Meeting.

**EXPLANATORY STATEMENT**

An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") sets out all material facts relating to the Special Business to be transacted in respect of Item Nos. 1 to 4 of the Notice dated July 28, 2015 is annexed hereto.

**Item No.1** - The Paid-up-Capital of the Company has already reached near Authorised Share Capital of the Company. In order to issue Preference Shares on Private Placement basis, the Company must increase its Authorized Share Capital. Hence, the Board of Directors of the Company *vide* its resolution dated 28<sup>th</sup> July, 2015 have proposed to increase the Authorised Share Capital of the Company from the existing Rs.7 crores to Rs.27 crores by dividing Rs.7 crores Equity share capital and Rs.20 crores Preference share capital

In order to reflect the increased Authorised Share capital of the Company, and conform to the requirements of the Companies Act, 2013, the Capital Clause of the Memorandum of Association of the Company must be amended and restated.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financial or otherwise, in the resolution set out at Item No.1 of the Notice.

The Board commends an Ordinary Resolution as set out at Item No.1 of the Notice for approval by the shareholders.

**Item No.2** - Article no.4 in Articles of Association is regarding Authorised Share Capital of the Company. Under the Companies Act, 2013 ("the Act") and even under the Companies Act, 1956, Capital clause is required only in the Memorandum of Association of the Company. There is no need of having capital clause in the Articles of Association. As required by law the Capital Clause is contained in the Memorandum of Association and the same is also proposed to be altered at the ensuing Extra-ordinary general meeting as mentioned in Item No.1 of this Notice. It is proposed to delete the Article no.4 of the Articles of Association by amending the Articles of Association by passing the Special Resolution at Item No.2. As per Section 14 of the Companies Act, 2013, the alteration of the Articles of Association of the Company requires the approval of the shareholders by passing a special resolution.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested financial or otherwise, in the resolution set out at Item No.2 of the Notice.

The Board commends a Special Resolution as set out at Item No.2 of the Notice for approval by the shareholders.

**Item no.3** - As per Section 42 of the Companies Act, 2013 and Rules framed thereunder , a Company shall not make a Private Placement of Securities unless the proposed offer of securities or invitation to subscribe to securities have been previously approved by the Members of the Company by a Special Resolution.

During March, 2015, the Board of Directors had taken decision to implement certain business strategies viz., re-organization of business divisions, productivity improvement, cost reduction measure etc., To implement these decisions on a timely and effective manner, it is proposed to raise long term funds through issue of Preference Shares on Private Placement Basis and it will also help to increase the Net worth of the Company which is being eroded due to huge losses over the period of time. Due to poor financial position of the Company, the Company is restrained from going to public issue/rights issue. Messrs. Shapoorji Pallonji & Company Private Limited., Promoter of the Company has consented to subscribe the entire issue of Non-cumulative, Non-convertible, Redeemable, Preference Shares (NCRPS) of Rs.20 Crores.

Accordingly, approval of the Members is being sought by way of Special Resolution under Section 42, 55 and 62 read with Rules made there under for issue of Non-cumulative, Non-convertible, Redeemable, Preference Shares (NCRPS) aggregating an amount not exceeding Rs.20 crores and to offer and allot the NCRPS on a Private Placement basis to Promoter/Promoter Group or such other person or persons on the terms and conditions as set hereunder :

|   |  |
|---|--|
| Size of the issue   | Rs.20 crores   |
| No. of Preference shares  | 2,00,00,000  |
| Nominal value   | Rs.10  |
| Basis on which the price has been arrived   | N.A. Issue is AT PAR   |
| Tenure  | Not exceeding 20 years from the date of their issue with or without a put/call option as may be determined by the Board.   |
| Nature of Preference shares   | Non-cumulative, Non-convertible, Non-participating, Redeemable   |
| Object of the issue   | To raise long term funds for the business of the Company.  |
| Manner of issue of shares   | Offered on private placement basis to the Promoters/Promoters Group in accordance with the provisions of Section 42 of the Companies Act, 2013 and Rules made thereunder                             |
| Offer period  | To be determined by the Board  |
| Rate of Dividend  | 7%   |
| Manner and mode of redemption   | To be determined by the Board  |
| Terms of redemption including tenure of redemption, redemption of shares at premium         | Redeemable at par in accordance with Section 55 of the Companies Act, 2013 out of profits available for distribution as dividend or out of fresh issue of shares made for the purpose of redemption. |
| Current shareholding pattern  | Mentioned below.   |
| Expected dilution in equity share capital upon conversion of preference shares              | Nil. Since the NCRPS are non convertible.  |
| No subsisting default in the redemption of existing preference shares, payment of dividend. | N.A. Since this is a first issue   |

Equity shareholding pattern as on 30.06.2015 :

| Sl.No. | Name of the shareholder                          | Percentage to Paid-up Capital (%) |
|--------|--|-----------------------------------|
| 1      | Shapoorji Pallonji & Company Pvt. Ltd., Promoter | 73.56                             |
| 2      | Other Bodies corporate                           | 4.13                              |
| 3      | FILs   | 3.09                              |
| 4      | Insurance Companies                              | 4.56                              |
| 5      | Individuals                                      | 14.66                             |
|        | <b>TOTAL</b>                                     | <b>100.00</b>                     |

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No.3 of the Notice.

The Board commends a Special Resolution set out at Item No.3 of the Notice for approval by the shareholders.

**Item No.4** – Based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company (“the Board”) at its Meeting held on 13<sup>th</sup> July, 2015, Mr.Sachin Kulkarni, Chief Operating Officer was appointed (a) as an Additional Director and (b) as the Whole time Director of the Company and hence a Key Managerial Personnel of the Company for a period of 3 years with effect from 13.07.2015 to 12.07.2018, subject to approval of the Shareholders, on the remuneration and upon the terms and conditions determined by the Nomination and Remuneration Committee and approved by the Board, as set out in the Draft Agreement to be entered into between the Company and Mr.Sachin Kulkarni.

The draft agreement to be entered into by the Company with Mr.Sachin Kulkarni in respect of his appointment as the Whole-time Director and a Key Managerial Personnel of the Company, inter-alia, contains the following remuneration and terms and conditions :

Particulars of remuneration payable and broad terms and conditions of appointment of Mr.Sachin Kulkarni are as under :

1. Appointment :-

Mr.Sachin Kulkarni is appointed as the Whole time Director and a Key Managerial Personnel for a period of 3 years with effect from 13.07.2015 to 12.07.2018.

2. Remuneration :-

(i) SALARY :

Basic salary of Rs.1,25,000 p.m. (in the scale of Rs.1,25,000 to Rs. 1,50,000) with effect from 13<sup>th</sup> July, 2015. The annual increment which will be effective from 1<sup>st</sup> October or such other date, each year, as may be decided by the Board and will be merit based and take into account the Company's performance. In the event no commission on net profit is paid for any year as remuneration, an additional salary may be paid as may be decided by the Board of Directors of the Company, provided the same is within the foregoing range and provided the same is within the maximum limit stipulated in Schedule V to the Companies Act, 2013 as amended from time to time.

(ii) PERQUISITES AND ALLOWANCES:

- (a) Company provided accommodation/house rent allowance; house maintenance allowance; reimbursement of expenses or allowances for utilities such as gas, electricity, water, soft furnishing, hard furnishing and repairs; helper allowance; medical reimbursement or allowance; leave travel concession/assistance for himself and his family; club fees; medical insurance, housing loan at a concessional rate and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Appointee, the value of which shall not in the aggregate exceed 125% of the annual salary. It is clarified that the Income Tax requisite value of housing and concessional housing loan forms a part of this limit.
- (b) For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per present Income-tax Rules, wherever applicable; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (c) Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

(iii) COMMISSION / INCENTIVE :

Commission / incentive, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Nomination and Remuneration Committee of the Board of Directors of the Company at the end of each financial year and approved by the Board, subject to the overall ceilings stipulated in Sections 197, 198 and other applicable provisions of the Companies Act, 2013. This will be payable annually after the Annual Accounts have been approved by the Board of Directors and adopted by the shareholders.

(iv) MINIMUM REMUNERATION:

In any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above subject to a maximum limit as permitted, under the applicable provisions of the Companies Act, 2013 and Schedule V thereto and the requisite approval of the Central Government, if it exceeds the maximum limit permissible under the said Schedule V.

3. GENERAL :

- (i) Service Contract is for 3 years with effect from 13.07.2015 to 12.07.2018 subject to retirement policy of the Company
- (ii) Mr.Sachin Kulkarni shall not be liable to retire by rotation in accordance with Section 152 of the Companies Act, 2013 and Article 156 of the Articles of Association of the Company.

- (iii) The office of the Whole time Director may be terminated by the Company by giving to him 6 (Six) months notice in writing or salary in lieu of notice.
- (iv) A brief resume of Mr. Sachin Kulkarni, nature of his expertise in specific functional areas etc., are provided as an Annexure to this Notice. He is not holding directorship in any other Company. He is a Member of Stakeholders Relationship Committee of the Board of Directors. He is not holding membership / chairmanship of any other Board Committee, in any public limited company and he is not related to any directors of the Company as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange.
- (v) Mr. Sachin Kulkarni is not holding any equity shares in the Company.
- (vi) Statement containing the information required to be furnished pursuant to Section II in Part II of Schedule V to the Companies Act, 2013 is appended to the Notice of this Meeting.

Draft Agreement to be entered into between the Company and Mr. Sachin kulkarni is available for inspection at the registered office of the company during office hours from 10.00 a.m. to 5.00 p.m. on any working day up to the date of the Extra Ordinary General Meeting.

None of the directors and/or the Key Managerial Personnel of the Company and their relatives, other than Mr. Sachin Kulkarni is in any way concerned or interested in the aforesaid resolution.

The Board commends a Special Resolution set out at Item No.4 of the Notice for approval by the shareholders.

For and on behalf of the  
Board of Directors

Sachin Kulkarni  
Whole time Director

Mumbai  
28<sup>th</sup> July, 2015  
Registered Office  
No.24, 29<sup>th</sup> Main,  
BTM Layout II Stage,  
Bangalore – 560 076

**1. Statement containing the information required to be furnished pursuant to Section II in Part II of Schedule V to the Companies Act, 2013 is given hereunder :**

**I. General Information:**

|  |   |   |   |        |
|--|---|---|---|--------|
| (1) Nature of Industry   | Manufacturer of yarn, fabrics, terry towels etc.,   |   |   |        |
| (2) Date or expected date of commencement of commercial production.  | The Company was incorporated on 27 <sup>th</sup> March, 2006 at Bangalore. Consequent upon the Scheme of Arrangement for the demerger of the Textiles Undertaking of Forbes Gokak Ltd (FGL) into GOKAK TEXTILES LIMITED approved by the High Court of Bombay and High Court of Karnataka at Bangalore, the Textile and the Knitwear business of the Textiles Undertaking of FGL was transferred to and vested in GOKAK TEXTILES LIMITED with effect from 1 <sup>st</sup> April, 2007. |   |   |        |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | The Textiles Undertaking of Forbes Gokak Ltd was transferred to GOKAK TEXTILES LIMITED pursuant to the Scheme of Arrangement. The said Textiles Undertaking which was under Forbes Gokak Ltd has been in commercial production since the year 1919.   |   |   |        |
| (4) Financial Performance based on given indicators.   | (Rs. in crores)   |   |   |        |
|  | Year ended<br>30.09.2014<br>(12 months)   | Year ended<br>30.09.2013<br>(12 months) | Year ended<br>30.09.2012<br>(18 months) |        |
|  | Gross Income  | 344.12                                  | 359.53                                  | 484.22 |
|  | PAT/Loss  | (34.12)                                 | (14.51)                                 | 19.48  |
|  | Net worth   | 35.92                                   | 70.05                                   | 84.56  |
|  | Dividend %  | --                                      | --                                      | --     |
| (5) Foreign Investor or Collaborators, if any.   | There is no Foreign Investment or Collaboration in the Company.   |   |   |        |



## II. Information of the remuneration package of Mr. Schin Kulkarni, Whole time Director :

|  |  |
|--|--|
| (1) Background details   | Mr.Sachin Kulkarni, aged 46 years, is a M Tech. in Textiles Engineering from IIT, Delhi.   |
| (2) Past Remuneration.   | Remuneration paid as Chief Operating Officer during the year from 05.08.2014 to 31.03.2015) is Rs.20,97,554 comprises monthly salary, perquisites, excluding contribution towards retiral benefits.  |
| (3) Recognition or Awards.   | 7 International Patents.   |
| (4) Job profile and his suitability.   | He has operational and managerial experience of over 23 years in the Textile industry and has led teams of professional managers.  |
| (5) Remuneration proposed.   | Remuneration proposed includes –<br>(a) A monthly salary in the salary range of Rs.1,25,000/- to Rs.1,50,000/-.<br>(b) Housing, Vehicle, Medical and Leave Travel and other perquisites subject to a ceiling of 125% of the basic salary.<br>(c) Such commission/ incentive as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company having regard to the net Profits of the Company and provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013.<br>Remuneration Excludes- Contribution to the Provident Fund, Superannuation Fund and Gratuity Fund, leave encashment as per the Rules of the Company. |
| (6) Comparative remuneration profile with respect of industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin?) | The proposed remuneration is in tune with the current remuneration packages of managerial personnel of Companies belonging to the similar industry. Further, it is commensurate with the qualification & experience and in accordance with the highly competitive business scenario requiring recognition and reward of performance & achievement for retention of best talent and motivation towards meeting the objectives of the Company.   |
| (7) Pecuniary relationship directly or indirectly with the Company or the relationship with the Managerial Personnel, if any.  | Only to the extent of his entitlement to the remuneration as a managerial personnel.   |

## III. Other Information :

|  |   |
|--|---|
| (1) Reason of loss of inadequate profits                             | Due to high cost of raw materials, power cost, labour costs and decline in demand and price pressure on exports, resulting in inadequate profits in the financial year 2013-14.                                   |
| (2) Steps taken or proposed to be taken for improvement.             | Necessary steps have been taken to implement certain business strategies viz., re-organization of business divisions, productivity improvement, cost reduction measure to control the cost and reduce the losses. |
| (3) Expected increase in production and profits in measurable terms. | Improvement is expected in the production and reduction of losses during the year 2014-2015   |

#### IV Disclosures :

|  |  |
|--|--|
| Details of remuneration to Mr.Sachin Kulkarni, Chief Operating Officer as per the format listing out the following : | Mr.Sachin Kulkarni<br>Chief Operating Officer<br>(05.08.2014 to 31.03.2015)  |
| (a) Salary and Allowance   | Rs.11,68,839   |
| (b) Benefits and Perquisites   | Rs. 9,28,715   |
| (c) Bonus/Commission   | Nil  |
| (d) Pension/Contribution to PF and Superannuation Fund   | Rs.2,65,646  |
| (e) Break up of fixed component and performance linked incentives with performance criteria                          | Item (c) is performance linked, others are fixed. Performance criteria include level of the profits, reduction of costs, improvement of liquidity, steps taken for growth of business. |
| (f) Service Contract   | 13.07.2015 to 12.07.2018   |
| (g) Notice Period  | 6 months   |
| (h) Severance fees   | Nil  |
| (l) Stock Options details (if any)   | Nil  |

For and on behalf of the  
Board of Directors

Sachin Kulkarni  
Whole time Director

Mumbai  
28<sup>th</sup> July, 2015  
Registered Office  
No.24, 29<sup>th</sup> Main,  
BTM Layout II Stage,  
Bangalore – 560 076

#### 2. Details of Mr. Sachin Kulkarni, Whole time Director, whose appointment is proposed at the Extra Ordinary General Meeting (Pursuant to Clause 49 of the Listing Agreement) :

|   |  |
|---|--|
| Name of the Director  | Mr.Sachin Kulkarni   |
| Designation   | Whole time Director  |
| Date of Birth   | 09.10.1968   |
| Qualification   | M' Tech (Textiles), IIT, Delhi   |
| Relationship between Directors inter-se                       | Not related to any Directors of the Company.   |
| Expertise in specific functional areas                        | Mr.Sachin Kulkarni has wide and varied experience over 23 years in Textiles Industry. He has got Complete background experience in Textile Vertical, revival of business, handling different kinds of manpower, unions, agreements and Industrial Relation, setting up of new business, right from conceptualization and strategy. |
| List of Company's in which Directorship held as on 28.07.2015 | Nil  |
| Member of the Board Committee                                 | Member-Stakeholders Relationship Committee   |
| No. of shares held  | Nil  |

For and on behalf of the  
Board of Directors

Sachin Kulkarni  
Whole time Director

Mumbai  
28<sup>th</sup> July, 2015  
Registered Office  
No.24, 29<sup>th</sup> Main,  
BTM Layout II Stage,  
Bangalore – 560 076



# GOKAK TEXTILES LIMITED

CIN : L17116KA2006PLC038839

Registered Office : No.24, 29th Main, BTM Layout II Stage, Bangalore- 560 076

Tel No. 080 26689605 / 26689606

E-mail : ramanandapai@gokaktextiles.com website : www.gokakmills.com

## ATTENDANCE SLIP

1. I/ We certify that I am a registered Shareholder of the Company.
2. I/ We hereby record my/our presence at the Extra-ordinary General Meeting of the Company on Friday, the 18<sup>th</sup> September, 2015 at 3.00 p.m. at Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001
3. I certify that I am a proxy appointed by the above-named shareholder(s)
4. Please strike out whichever is not applicable.

-----  
(Shareholder's/Proxy's Full Name)

-----  
(Shareholder's/Proxy's signature)

Regd. Folio

\*DP ID No .

\*Client ID No.

- (1) Shareholder/Proxy holder must bring the Attendance Slip to the meeting and hand it over at the entrance, duly signed.
- (2) Shareholders are requested to advice change in their address, if any, to the Company's Registrar and Share Transfer Agents viz., TSR Darashaw Limited  
Unit : Gokak Textiles Limited , 6-10, Haji Moosa patrawala Industrial Estate, 20,  
Dr.E Moses Road, Mahalaxmi, Mumbai – 400011.

\*Applicable for Shareholder's holding shares in electronic form.



# GOKAK TEXTILES LIMITED

CIN : L17116KA2006PLC038839

Registered Office : No.24, 29th Main, BTM Layout II Stage, Bangalore- 560 076

Tel No. 080 26689605 / 26689606

E-mail : ramanandapai@gokaktextiles.com website : www.gokakmills.com

CIN : L17116KA2006PLC038839

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

Registered Office : No.24, 29th Main, BTM Layout II Stage,Bangalore-560076  
Tel : 080 - 26689604, 26689605 Fax : 080 - 26689604

E-mail : ramanandapai@gokaktextiles.com

Website : [www.gokakmills.com](http://www.gokakmills.com)

Name of the Member (s) : .....

Registered address : .....

E-mail Id : .....

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

I/We, being the member(s) of..... equity shares of the above named Company, hereby appoint:

1. Name.....

Address.....

E-mail ID : .....

Signature : ..... Or failing him/her

2. Name.....  
 Address.....  
 E-mail ID : .....  
 Signature : ..... Or failing him/her

3. Name.....  
 Address.....  
 E-mail 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 Extraordinary General Meeting of the Company, to be held on Friday, the 18<sup>th</sup> September, 2015 at 3.00 p.m. at Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore- 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Item No. | Description of Businesses as set out in the notice of the Extra-ordinary General Meeting                    | No. of Equity Shares held | I/We assent to the resolution (For) | I/We dissent to the resolution (Against) |
|----------|---|---------------------------|-------------------------------------|--|
|          | <b>Ordinary Resolution</b>  |                           |                                     |  |
| 1.       | Increasing Authorised Share Capital and Alteration of Capital Clause of Memorandum of Association           |                           |                                     |  |
|          | <b>Special Resolutions</b>  |                           |                                     |  |
| 2.       | Alternation of Articles of Association by deleting Article no.4.  |                           |                                     |  |
| 3.       | Issue and Offer of Non-cumulative, Non-convertible, Redeemable Preference Shares on Private Placement Basis |                           |                                     |  |
| 4.       | Appointment of Mr.Sachin Kulkarni as the Whole time Director and a Key Managerial Personnel                 |                           |                                     |  |

Signed this: ..... day of .....2015



-----  
 Signature of Shareholder

-----  
 Signature of Proxy holder(s)

**Note: 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**