



GOKAK TEXTILES LIMITED

Registered Office: #1, 2nd Floor, 12th Cross, Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Bengaluru – 560 098
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E-mail: secretarial@gokaktextiles.com **Website:** www.gokakmills.com
CIN: L17116KA2006PLC038839

NOTICE

Dear Members,

NOTICE is hereby given that the Extraordinary General Meeting of the Members of Gokak Textiles Limited will be held on Friday, March 23, 2018 at 10.00 A.M. at KRG Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru 560 001 to transact the following business:

SPECIAL 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 Sections 13, 61 and all other applicable provisions, if any, under the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) the existing Authorised Share Capital of the Company of Rs.1,47,00,00,000 (Rupees One Hundred Forty Seven Crores) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10 (Rupees Ten) each and 14,00,00,000 (Fourteen Crores) Non-cumulative Non-convertible Redeemable Preference Shares of Rs. 10 (Rupees Ten) each be and is hereby increased to Rs 1,82,00,00,000 (Rupees One Hundred Eighty Two Crores) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10 each and 17,50,00,000 (Seventeen Crore Fifty Lakhs) Non-cumulative Non-convertible Redeemable Preference Shares of Rs.10 (Rupees Ten) each.

Resolved further that the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V as under:

V. “The Authorised Share Capital of the Company is Rs. 1,82,00,00,000 (Rupees One hundred eighty two crores) divided into 70,00,000 (Seventy lakhs) Equity Shares of Rs. 10 (Rupees Ten) each and 17,50,00,000 (Seventeen crore fifty lakh) 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 and Rules as applicable thereon, for the time being in force and regulations of the Company and to vary, modify or abrogate such rights”.

Resolved further that the Directors/Chief Financial Officer/Company Secretary of the Company each of them severally, be and is hereby authorised to do all acts, deeds, things and matters as may be deemed expedient, desirable and necessary to give effect to this resolution and /or incidental thereto.”

Item No. 2

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, the following Resolution as a **Special Resolution**:

“Resolved that in accordance with the provisions of Sections 42, 55 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, on such terms and conditions, for an aggregate value not exceeding Rs.35 crores, in one or more tranches under this offer, as may be decided by the Board of Directors under this offer, for cash at par or otherwise viz., including but not limited to by way of conversion of loan into Non-cumulative, Non-convertible, Redeemable Preference Shares (“NCRPS”) on a private placement basis, to Promoter, Shapoorji Pallonji and Company Private Limited and / or any other Promoter Group Company 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 the said Non-cumulative, Non-convertible, Redeemable Preference Shares (“NCRPS”) shall not be listed with any Stock Exchanges.

Resolved further that the Non-cumulative, Non-convertible, Redeemable Preference Shares (“NCRPS”) shall be non-participating, carry a preferential right, vis –a-vis equity shares of the Company with respect to payment of dividend and repayment in case of winding up or repayment of capital.

Resolved further that for the purpose of giving effect to this resolution, the Board be and is hereby authorised 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 ‘Offer Document’ 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. 3

Approval of Material Related Party Transactions with Suryoday One Energy Private Limited

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

“**Resolved that** pursuant to the provisions of Section 188, and other applicable provisions of the Companies Act, 2013 read with Rule 15 (3) of the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals, consent, sanctions and permissions of any authorities including appropriate authorities/departments of Government of Karnataka as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for entering into contracts/arrangements/transactions (including any modifications, alterations or amendments thereto) with Suryoday One Energy Private Limited, a related party entity, within the meaning of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a period upto May 28, 2033 (subject to renewal as may be mutually decided) including but not limited to : (i) sub-leasing of 369 acres 36 guntas of land in Konnur Survey No. 65 B at Gokak Falls, District Belagavi, Karnataka State (ii) Leave and Licence arrangement for permitting use of Company’s premises/quarters for residential/official purposes (iii) Reimbursements for providing support services and (iv) Rendering of other services or any other transactions not covered above to Suryoday One Energy Private Limited, the value of which either individually or all taken together may exceed ten percent of the net worth of the Company/ten percent of the turnover of the Company as per audited financial statement for the FY 2016-17.

Details of Contracts/Transactions	Total estimated cumulative contract value
<ol style="list-style-type: none"> 1. Sub-lease of 369 acres 36 guntas of land in Konnur Survey No. 65 B at Gokak Falls, District Belagavi, Karnataka State 2. Leave and Licence arrangement for permitting use of Company’s premises / quarters for residential / official purposes 3. Reimbursements for providing support services 4. Rendering of other services or any other transaction 	<p>Rs. 8 crores including taxes as applicable.</p>

Resolved further that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to determine the actual sums to be involved in the proposed transactions and the terms and conditions related thereto and 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 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.

Resolved further that the Board be and is hereby authorized to delegate all or any of the powers conferred on to it by or under this resolution to any Committee of Directors of the Company as it may consider appropriate in order to give effect to this resolution.”

Item No. 4

Rescission of resolution passed by the Shareholders of the Company by Postal Ballot on December 5, 2013

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

“**Resolved that** the special resolution passed by the Shareholders of the Company through Postal Ballot on December 5, 2013 approving sale/transfer of the Knitwear Business of the Company be and is hereby rescinded.

Resolved further that the Directors/Chief Financial Officer/Company Secretary of the Company each of them severally, be and is hereby authorised to do all acts, deeds, things and matters as may be deemed expedient, desirable and necessary to give effect to this resolution and /or incidental thereto.”

By Order of the Board of Directors

Ramesh R. Patil
Chief Executive Officer & Managing Director

Gokak Falls, February 26, 2018.

Registered Office:

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Near Jayanna Circle, Rajarajeshwari Nagar,
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Email: secretarial@gokaktextiles.com
CIN: L17116KA2006PLC038839
Website: www.gokakmills.com

NOTES AND INSTRUCTIONS:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“Act”) with respect to the special business set out in the Notice is annexed hereto.
2. **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 a proxy need not be a member of the Company.** The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.

3. Corporate members are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Meeting.
4. Members are requested to bring their attendance Slip along with their copies of the Notice to the Meeting.
5. Documents referred to in Statement Pursuant to Section 102 (1) of the Act shall be available for Inspection at the Registered Office of the Company on any working day (Monday to Friday) between 11.00 am to 1.00 pm.
6. The Notice of the EGM is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company /Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. To support the 'Green Initiative', the Members who have not registered their e-mail addressed are requested to register the same with RTA/Depositories.

7. **E-Voting**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as may be amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Extraordinary General Meeting (EGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the EGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the EGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the EGM may also attend the EGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Tuesday, March 20, 2018 (9:00 am) and ends on Thursday, March 22, 2018 (5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, March 16, 2018 i.e. cut-off date, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step: 1 is mentioned below:

How to Log-in to NSDL e-Voting website?	
1.	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2.	Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3.	A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :	
Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a)	For Members who hold shares in demat account with NSDL. 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b)	For Members who hold shares in demat account with CDSL. 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c)	For Members holding shares in Physical Form. EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:	
a)	If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
b)	If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
c)	How to retrieve your 'initial password'?
(i)	If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
(ii)	If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6.	If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
a)	Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com .
b)	Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com .
c)	If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7.	After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8.	Now, you will have to click on "Login" button.
9.	After you click on the "Login" button, Home page of e-Voting will open.

Details on Step: 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?	
1.	After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2.	After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3.	Select "EVEN" of company for which you wish to cast your vote.
4.	Now you are ready for e-Voting as the Voting page opens.
5.	Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6.	Upon confirmation, the message "Vote cast successfully" will be displayed.
7.	You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8.	Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders	
1	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 etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kiran@kdsh.co.in with a copy marked to evoting@nsdl.co.in .
2.	It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3.	In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-22-990 or send a request at evoting@nsdl.co.in

- VI. The voting rights of members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on the cut-off date of March 16, 2018 as per the Register of Members/Statement of beneficial ownership maintained by the Depositories i.e. NSDL and CDSL.
- VII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. March 16, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the EGM through ballot paper.
- IX. Mr. Kiran B. Desai, Designated Partner, KDSH & Associates LLP, Company Secretaries, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the EGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the EGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours from conclusion of the EGM, a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company, www.gokakmills.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the date of EGM i.e. March 23, 2018.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013

The following statement sets out material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 1

The present Authorised Share Capital of the Company as on December 31, 2017 is Rs. 1,47,00,00,000 (Rupees One Hundred Forty Seven Crores) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10 (Rupees Ten) each and 14,00,00,000 (Fourteen Crores) Non-cumulative Non-convertible Redeemable Preference Shares of Rs. 10 (Rupees Ten) each.

The Paid up Share Capital of the Company as on December 31, 2017 is Rs. 1,46,49,93,080 divided into 64,99,308 (Sixty four Lakhs ninety nine thousand three hundred eight) Equity Shares of Rs. 10 (Rupees Ten) each and 14,00,00,000 (Fourteen Crores) Non-cumulative Non-convertible Redeemable Preference Shares of Rs. 10 (Rupees Ten) each

It is proposed to increase the Authorised Share Capital of the Company as Rs. 1,82,00,00,000 (Rupees One Hundred Eighty Two Crores) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10 each and 17,50,00,000 (Seventeen Crore Fifty Lakhs) Non-cumulative Non-convertible Redeemable Preference Shares of Rs.10 (Rupees Ten) each.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution set out at Item No. 1 of the Notice.

The Board recommends the passing of resolution at Item No. 1 of the accompanying Notice, in the interest of the Company.

Item No. 2

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.

The Board of Directors have 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. Shapoorji Pallonji and Company Private Limited, Promoter of the Company have consented to subscribe the entire issue of Non-cumulative, Non-convertible, Redeemable, Preference Shares (NCRPS) of Rs.35 Crores in one or more tranches under this offer.

Accordingly, approval of the Members is being sought by way of Special Resolution under Section 42, 55 and other applicable provisions read with Rules made there under for issue of Non-cumulative, Non-convertible, Redeemable, Preference Shares (NCRPS) aggregating to an amount not exceeding Rs.35 crores in one or more tranches under this offer and allot the 'NCRPS' on a Private Placement basis to Promoter, Shapoorji Pallonji and Company Private Limited and / or any other Promoter Group Company on the terms and conditions as set hereunder:

Name of Proposed Allottee / Class or class of persons to whom allotment is proposed to be made	Shapoorji Pallonji and Company Private Limited and / or any other Promoter Group Company
Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the Offer	Promoter / Promoter Group Company would subscribe to the offer
% of Subscription by Proposed Allottee	100 %
Size of the issue	Rs.35 crores in one or more tranches under this offer.
No. of Preference shares	3,50,00,000
Nominal value /Price at which allotment is proposed	Rs.10 per preference share
Basis on which the price has been arrived	N.A. Issue is AT PAR
Tenure	20 years from the date of their issue without a put and call option.
Nature of Preference shares	Non-cumulative, Non-convertible, Non-participating, Redeemable Preference Shares
Object of the issue	To raise long term funds for the business of the Company.
Manner of issue of shares	Offer on private placement basis to the Shapoorji Pallonji and Company Private Limited and/ or any other Promoters Group Company in one or more tranches as may be decided by the Board of Directors under the offer.
Offer period	To be determined by the Board
Terms of Issue	Preference Shares shall rank prior in respect of payment of dividend or redemption amount compared to equity shareholders of the Company and in the event of winding up, preferential right over the equity shareholders in participating of surplus funds, surplus assets and profits of the Company.
Rate of Dividend	11 %
Manner and mode of redemption	At the end of period, AT PAR
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 equity shareholding pattern	Mentioned below
Expected dilution in equity share capital upon conversion of preference shares	Nil. Since the Redeemable Preference Shares are non-convertible

No subsisting default in the redemption of existing preference shares	Not Applicable
Current and post issue Preference Shareholding Pattern of the Company	As given below

Sr. No	Category	Pre-Issue		Post-Issue	
		No. of Preference Shares held	% of Share-holding	No. of Preference Shares held	% of Share-holding
A	Promoter Holding				
1.	Indian:				
	Individual	0	0	0	0
	Bodies corporate	14,00,00,000	100	17,50,00,000	100
	Sub total	14,00,00,000	100	17,50,00,000	100
2.	Foreign Promoters	0	0	0	0
	Sub total A	14,00,00,000	100	17,50,00,000	100
B	Non-Promoters' Holding				
1.	Institutional Investor	0	0	0	0
2.	Non-Institutional Investors	0	0	0	0
	Sub total B	0	0	0	0
	Grand Total	14,00,00,000	100	17,50,00,000	100

Equity shareholding pattern as on 31.12.2017:

Sl. No.	Name of the shareholder	Percentage to Paid-up Capital (%)
1	Shapoorji Pallonji and Company Private Limited (Promoter)	73.56
2	Financial Institutions/ Banks	0.15
3	Central Government / State Financial Institutions	0.85
4	Insurance Companies	4.56
5	FII's/NRI's/OCB's/Foreign Companies	3.29
6	Bodies corporate	3.51
7	Individuals	14.08
	TOTAL	100.00

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said Resolution set out at Item No. 2 of the Notice.

The Board recommends the passing of Special Resolution at Item No.2 of the accompanying Notice, in the interest of the Company.

Item No. 3

As per the provisions of section 188 of the Companies Act, 2013 dealing with Related Party Transactions, the Company is required to obtain prior approval of the Board and in the event that the transaction value exceeds the threshold limits set out in the said section read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, then the Company is required to obtain prior approval of the members of the Company.

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

requires approval of the Members through ordinary resolution for all material related party transactions.

The Board of Directors of the Company, subject to the approval of the Members and subject to such other approvals as may be required, proposes to enter into contracts/arrangements/transactions for a period upto May 28, 2033 with Suryoday One Energy Private Limited, a related party, including but not limited to : (i) sub-leasing of 369 acres 36 guntas of land in Konnur Survey No. 65 B at Gokak Falls, District Belagavi, Karnataka State (ii) Leave and Licence arrangement for permitting use of Company's premises/quarters for residential/official purposes (iii) Reimbursements for providing support services and (iv) Rendering of other services or any other transaction not covered above to Suryoday One Energy Private Limited, the value of which either individually or all taken together may exceed ten percent of the net worth of the Company/ten percent of the turnover of the Company as per audited financial statement for the FY 2016-17.

The proposed transaction alongwith the existing transaction will be considered material transactions and the value of which together with all the existing transactions is estimated to exceed 10 % of the net worth /10 % of the turnover of the Company as per the audited financial statements for FY 2016-17.

The particulars of transactions pursuant to the provisions of section 188 of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

a.	Name of Related Party	: Suryoday One Energy Private Limited
b.	Nature of Relationship	: The Company and Suryoday One Energy Private Limited are Shapoorji Pallonji Group Companies. Suryoday One Energy Private Limited is a subsidiary of Shapoorji Pallonji Infrastructure Capital Company Private Limited which holds 49% of the paid up share capital of Gokak Power & Energy Limited, a subsidiary of the Company.
c.	Shareholding, if any, in the entity with whom the transactions is proposed	: Gokak Power & Energy Limited, a subsidiary of the Company hold 26 % of the paid up share capital of Suryoday One Energy Private Limited.
d.	Details of Contracts/ Transactions	: Total estimated cumulative contract value
	1. Sub-lease of 369 acres 36 guntas of land in Konnur Survey No. 65 B at Gokak Falls, District Belagavi, Karnataka State	} Rs. 8 crores including taxes as applicable.
	2. Leave and Licence arrangement for permitting use of Company's premises/ quarters for residential/official purposes	
	3. Reimbursements for providing support services	
	4. Rendering of other services or any other transaction	

The lease rent, license fee and the amounts to be charged for the services are fixed after considering all the relevant factors and are on arms length basis.

The Company intends to sub-lease 369 acres 36 guntas of land pertaining to Konnur Survey No. 655- B at Gokak Falls to Suryoday One Energy Private Limited for implementation of Solar Power Project at Gokak Falls, subject to the approval of the Members, the said arrangement is also subject to the approval of the Deputy Commissioner, Belagavi, Government of Karnataka and shall be effective from the date of the formal permission received from Deputy Commissioner's office, Belagavi, Government of Karnataka for sub-leasing of the land. The sub-lease shall be upto May 28, 2033.

The above transactions have prior approval of the Audit Committee as per the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have recommended the same for the approval of the Members.

In view of the above, it is proposed to seek approval of the Members through an Ordinary Resolution for the above referred proposed transactions under the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and related parties shall abstain from voting on the resolution set out at Item No.3.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution set out at Item No. 3 of the Notice.

The Board recommends the passing of resolution at Item No.3 of the accompanying Notice, in the interest of the Company.

Item No. 4

The Company is engaged inter alia in the business of knitwear (Apparels), the manufacturing unit of which is located at village Marihal, Dist Belagavi, Karnataka State. Results of this business, had been negative and the Board of Directors of the Company, had come to a conclusion that from a long term perspective, it will be in the overall interest of the Company to exit and divest this Business. The Board of Directors of the Company at their meeting held on October 16, 2013, subject to approval of the Members, resolved to locate a buyer and sell the knitwear business. Approval of the Members was obtained on December 5, 2013 through Postal Ballot. The sale/ transfer of the knitwear business could not be completed till date due to lack of competitive offers from prospective buyers.

Based on an assessment of the current garment business and the options available, the Board of Directors of the Company at their meeting held on November 13, 2017 have rescinded the resolution passed at their meeting held on October 16, 2013 for sale of the knitwear business of the Company. The Company proposes to revive the knitwear business.

In view of the above, it is proposed to rescind the resolution passed by the Members for the sale/transfer of knitwear business.

The resolution passed by the Members through Postal Ballot on December 5, 2013 is reproduced below for the benefit of the Members:

“RESOLVED that subject to the consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, consent of the Company be and is hereby accorded pursuant to Section 180(1)(a) of the Companies Act, 2013 to transfer the Knitwear Business of the Company by way of sale/ transfer, as a Slump Sale at such consideration and with effect from such date as the Board of Directors of the Company may think fit and that the Board of Directors of the Company which shall include a Committee of Directors constituted for this purpose, be and is hereby authorised to complete the sale / transfer of the said Knitwear Business with such modifications as may be required by any of the concerned authorities or which it may deem to be in the interest of the Company and to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in the interest of the Company”.

“FURTHER RESOLVED that Mr.H.S.Bhaskar, Executive Director & CEO be and is hereby authorised severally to alter, modify, include, delete in the aforesaid Resolution as required or directed by the concerned authorities”.

“FURTHER RESOLVED that each of the Directors of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may deemed expedient, desirable and necessary to implement this resolution from time to time”.

“FURTHER RESOLVED that Mr.H.S.Bhaskar, ED & CEO and Mr.K Ramananda Pai, Company Secretary be and are hereby authorised severally to file necessary e-forms with the Registrar of Companies”.

The Companies Act, 2013 or other applicable Rules do not provide any specific procedure for rescinding of any resolutions passed at the Board and General Meetings. The Secretarial Standard 2 (SS-2) on General Meetings provides that a Resolution passed at a General Meeting shall not be rescinded otherwise than by a Resolution passed at a subsequent General Meeting.

The Board recommends the passing of resolution at Item No.4 of the accompanying Notice, in the interest of the Company.

None of the Directors / Key Managerial Personnel or their relatives is interested in the passing of the said Ordinary resolution.

By Order of the Board of Directors

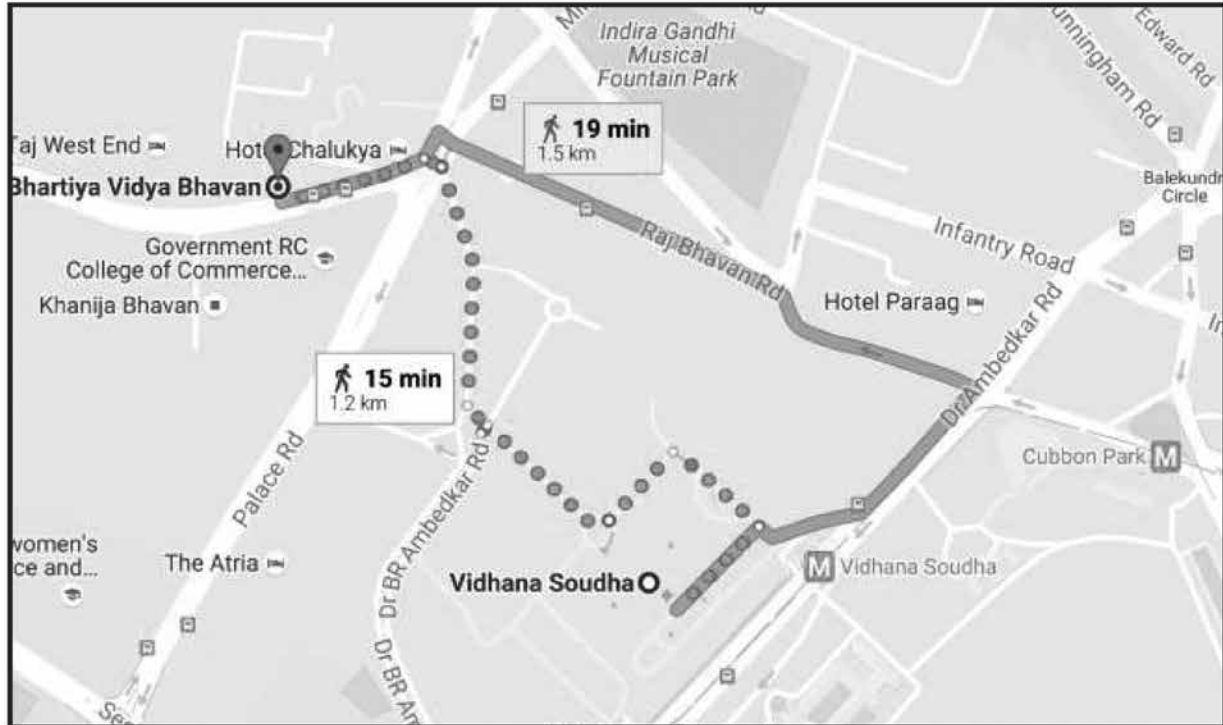
Ramesh R. Patil
Chief Executive Officer & Managing Director

Gokak Falls, February 26, 2018.

Registered Office:

1, 2nd Floor, 12th Cross, Ideal Homes,
Near Jayanna Circle, Rajarajeshwari Nagar,
Bengaluru 560 098
Ph: +91 80 2974 4077, +91 80 2974 4078, +91 80 2974 4066
Email: secretarial@gokaktextiles.com
CIN: L17116KA2006PLC038839
Website: www.gokakmills.com

Directions From Vidhana Soudha to KRG Hall, Bhartiya Vidya Bhavan



Vidhana Soudha, Dr Ambedkar Rd, Sampangi Ramnagar, Bengaluru, Karnataka 560001, India

- ↑ Head northeast - 150m
- ↶ Turn left toward Dr BR Ambedkar Rd - 150m
- ↶ Turn left toward Dr BR Ambedkar Rd - 120m
- ⦿ At the roundabout, take the 1st exit - 210m
- ↶ Turn left toward Dr BR Ambedkar Rd - 13m
- ↷ Turn right onto Dr BR Ambedkar Rd - 41m
- ↷ Turn right to stay on Dr BR Ambedkar Rd - 300m
- ↶ Turn left to stay on Dr BR Ambedkar Rd - 25m
- ↶ Turn left onto Palace Rd/ Race Course Rd - 190m

Continue to follow Race Course Rd Destination will be on the right

Bhartiya Vidya Bhavan, #43, Race Course Road, Bengaluru, Karnataka 560001, India



GOKAK TEXTILES LIMITED

Registered Office: #1, 2nd Floor, 12th Cross, Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Bengaluru – 560 098

Tel: +91 80 2974 4077, +91 80 2974 4078, +91 80 2974 4066

E-mail: secretarial@gokaktextiles.com **Website:** www.gokakmills.com

CIN: L17116KA2006PLC038839

PROXY FORM

Name of the Member(s) :	
Registered address :	
E-mail ID :	
Folio No/DP ID & Client ID :	

I/We being the member(s) holding _____ equity shares of Gokak Textiles Limited hereby appoint;

- Name :
Address :
E-mail Id :
Signature : _____ or failing him
- Name :
Address :
E-mail Id :
Signature : _____ or failing him
- Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Extraordinary General Meeting of Gokak Textiles Limited, to be held on Friday, March 23, 2018 at 10.00 a.m. at the KRG Hall, Bharatiya Vidya Bhavan, Race Course Road, Bengaluru – 560 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Special Business:

- Increasing the Authorised Share Capital and Alteration of Capital Clause of Memorandum of Association
- Issue and Offer of Non-cumulative, Non-convertible, Redeemable Preference Shares on a Private Placement basis
- Approval of Material Related Party Transactions with Suryoday One Energy Private Limited
- Rescission of resolution passed by the Shareholders of the Company by Postal Ballot on December 5, 2013

Signed this day of 2018

Signature of shareholder : _____

Signature of Proxy holder(s) : _____

Affix
Re.1
Revenue
Stamp

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.