

November 13, 2021

The Manager
Listing Department
BSE Limited
Phiroze Jeejabhoy Towers
Dalal Street, Fort,
Mumbai - 400001

Dear Sir,

Sub: Disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Re: Stock Code: 532957 (BSE)

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we wish to inform you that the Board of Directors of Gokak Textiles Limited (“the Company”) at their Board Meeting held on November 12, 2021 have inter alia, approved the Scheme of Arrangement (“Scheme”) under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme inter alia provides for:

- Reduction of share capital and re-organisation of reserves of Gokak Textiles Limited; and
- Amalgamation (by way of absorption) of Suryoday One Energy Private Limited with and into Gokak Textiles Limited;

The Scheme as aforesaid is subject to necessary approvals by the Bombay Stock Exchange (“BSE”), Securities and Exchange Board of India, Shareholders and Creditors of the Companies, as may be applicable, Jurisdictional Bench of the National Company Law Tribunal (“NCLT”) and such other statutory and regulatory approvals as maybe required.

The Scheme as approved by the Board would be available on the website of the Company at <http://www.gokakmills.com> post submitting the same to the BSE. The relevant documents obtaining approval under Regulation 37 of the SEBI Listing Regulations will be submitted to the BSE.

In terms of SEBI Listing Regulations read with Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we are furnishing herewith the details of the Scheme as Annexure 1.

Thanking you,

Yours faithfully,

For Gokak Textiles Limited



Rakesh M. Nanwani
Company Secretary & Compliance Officer

GOKAK TEXTILES LIMITED

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

Telephone No. : +91 80 29744077 / +91 80 29744078, www.gokakmills.com

GSTIN: 29AACCG8244P1ZX CIN: L17116KA2006PLC038839

Annexure 1

Disclosure under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015

Scheme of Arrangement

a)	Name of the Entities forming part of the Scheme, details in brief such as size, turnover, etc.	<p>The Scheme provides for:</p> <ul style="list-style-type: none"> • Reduction of preference share capital and re-organisation of reserves of Gokak Textiles Limited; and • Amalgamation (by way of absorption) of Suryoday One Energy Private Limited with and into Gokak Textiles Limited; <p>Brief Details of the Net Worth, total assets, and total income is as follows:</p> <p style="text-align: right;">(Rs. In Crores)</p> <table border="1" style="width: 100%; margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="text-align: center;">As on March 31, 2021</th> </tr> <tr> <th style="width: 30%;">Particulars</th> <th style="width: 15%;">Net worth</th> <th style="width: 15%;">Total Income</th> <th style="width: 30%;">Total Assets</th> </tr> </thead> <tbody> <tr> <td>Gokak Textiles Limited</td> <td style="text-align: right;">(67.91)</td> <td style="text-align: right;">109.07</td> <td style="text-align: right;">126.89</td> </tr> <tr> <td>Suryoday One Energy Private Limited</td> <td style="text-align: right;">5.36</td> <td style="text-align: right;">32.89</td> <td style="text-align: right;">278.53</td> </tr> </tbody> </table>	As on March 31, 2021				Particulars	Net worth	Total Income	Total Assets	Gokak Textiles Limited	(67.91)	109.07	126.89	Suryoday One Energy Private Limited	5.36	32.89	278.53
As on March 31, 2021																		
Particulars	Net worth	Total Income	Total Assets															
Gokak Textiles Limited	(67.91)	109.07	126.89															
Suryoday One Energy Private Limited	5.36	32.89	278.53															
b)	Whether the transaction would fall under Related Party Transaction? If yes, whether the same is done at arms' length?	<p>Gokak Textiles Limited is a subsidiary of Shapoorji Pallonji and Company Private Limited. Suryoday One Energy Private Limited is a step-down subsidiary of Shapoorji Pallonji and Company Private Limited. Accordingly, the Scheme would fall within the ambit of related party transactions.</p> <p>Pursuant to Part C of the Scheme, Gokak Textiles Limited shall, in lieu of cancellation of preference shares and write-back of borrowings, issue 7% Cumulative Perpetual Debentures of face value of INR 10 each to Shapoorji Pallonji and Company Private Limited.</p> <p>Pursuant to Part D of the Scheme, Gokak Textiles Limited will issue consideration by way of preference shares to Shapoorji Pallonji Infrastructure Capital Company Private Limited as recommended by the Board relying on the Report on recommendation of fair share exchange ratio obtained from BDO Valuation Advisory LLP and Fairness Opinion on the</p>																

		<p>said valuation Report obtained from Fedex Securities Private Limited.</p> <p>Also, it is pertinent to note that MCA vide circular no. 30/2014 dated 17th July 2014 has clarified that transactions arising, inter-alia, out of Compromises, Arrangements and Amalgamation will not attract requirement of section 188 of the Companies Act, 2013.</p>
c)	Areas of business of the entities	<p>1) Gokak Textiles Limited - The Company is in the business of textiles, manufacturing of spun cotton and blended grey & dyed yarn, industrial fabrics, terry towels, T-shirts, Polos, fabric, etc.</p> <p>2) Suryoday One Energy Private Limited - The Company is engaged in the business of developing, executing, managing and running solar power generation plant (project) at Gokak Falls, Belagavi District, in the State of Karnataka in accordance with the policy of the Government of Karnataka relating to production, supply and distribution of solar energy.</p>
d)	Rationale for the Scheme	<p>Rationale for reduction of preference share capital and re-organisation of reserves</p> <ul style="list-style-type: none"> • Under this Scheme, if approved, will enable the Transferee Company, i.e. Gokak Textiles Limited to consolidate the ownership of the power business and also provide reliable source of power for its textile division; • The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of Gokak Textiles Limited to meet its obligations / commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Company. <p>Rationale for amalgamation (by way of absorption) of Suryoday One Energy Private Limited with and into Gokak Textiles Limited</p> <ul style="list-style-type: none"> • Enabling the Transferee Company, i.e. Gokak Textiles Limited to further consolidate its renewable energy business by adding Solar Power business to existing Hydro Power business of its Subsidiary Company; • Provide reliable source of power to its textile

		<p>business</p> <ul style="list-style-type: none"> The Transferee Company can explore better avenues for energy business for further expansion in future.
e)	Brief details of the division to be demerged	Not Applicable
f)	Turnover of the demerged division and as a percentage to the total turnover of the listed entity in the immediately preceding financial year/ based on financials of the last financial year	Not Applicable
g)	In case of cash consideration amount or otherwise share exchange ratio	<p>Part C of the Scheme: 23,58,10,000 7% Cumulative Perpetual Debentures of face value INR 10 each, divided into such number of debentures as equal to the value of preference shares cancelled and borrowings written back, as provided in Clause 6.1 of the Scheme</p> <p>Part D of the Scheme: 1,216 fully paid-up 11% Redeemable Non-Convertible Cumulative Non-Participating Preference Shares of INR 10/- each of Transferee Company for every 1,000 equity shares held in Transferor Company, in proportion to their shareholding in the Transferor Company.</p>
h)	Brief details of change in shareholding listed entity	Since preference shares will be issued to the shareholders of the Transferor company, there will be no change in the Equity shareholding pattern of Gokak Textiles Limited.