



GOKALDAS EXPORTS LIMITED

L18101KA2004PLC033475

Regd. Office : No.16/2, Residency Road, Bangalore – 560025

Email: investorcare@gokaldasexports.com | Website: www.gokaldasexports.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

Notice is hereby given, pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read together with the Rule 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”), (including any statutory modification or re-enactment thereof for the time being in force), that the resolutions appended below are proposed to be passed by the members of Gokaldas Exports Limited (“the Company”) by way of Postal Ballot/remote electronic voting (e-voting). The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof are annexed hereto with a Postal Ballot form for your consideration.

The Board of Directors of the Company (“Board”) has appointed Mr. Nagendra D Rao, Practicing Company Secretary, Bengaluru as Scrutinizer (“Scrutinizer”) for conducting the postal ballot/ e-voting process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot form and return the same duly completed in the enclosed self-addressed Business Reply Envelope so as to reach the Company/Scrutinizer not later than 26th August, 2018 at 17.00 IST. Postage will be borne and paid by the Company. Postal Ballot Forms, if sent at the expense of the Members, will also be accepted. The Postal Ballot Forms may also be deposited personally at the address given on the Business Reply Envelope. Please note that, Postal Ballot Forms received after 26th August, 2018 at 17.00 IST shall be deemed invalid.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section “Voting through Electronic Means”. References to postal Ballot(s) in this Postal Ballot Notice include votes received electronically.

The scrutinizer will submit his report to the Chairman or any other authorized person of the Company after the Completion of the scrutiny of the Postal Ballots (including e-voting). The result of the Postal Ballot shall be declared by the Chairman or any other authorized person of the Company on or before 28th August, 2018 and communicated on the same day to the stock exchanges, depository, registrar and share transfer agents and shall be displayed on the Company’s website: www.gokaldasexports.com.

SPECIAL BUSINESS

Item No. 1

Approval of ‘Gokaldas Exports Employee Restricted Stock Unit Plan 2018’

To consider and pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), subject to such other approvals, consents, permissions and sanctions, as may be necessary and further subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the members of the Company be and is hereby accorded to the introduction and implementation of ‘Gokaldas Exports Employee Restricted Stock Unit Plan 2018’ (“RSU 2018” or “Plan”) and authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create and grant from time to time, in one or more tranches, not exceeding 21,33,040 (Twenty one Lakhs Thirty Three Thousand Forty Only) employee stock options to or for the benefit of such person(s) who are in permanent employment of the Company and / or its subsidiaries within the meaning of RSU 2018, including any director, whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under RSU 2018, exercisable into not more than 21,33,040 (Twenty one Lakhs Thirty Three Thousand Forty Only) equity shares of face value of Rs.5/- (Rupees Five) each fully paid-up, where one employee stock option would convert in to one equity share upon exercise, on such terms and in such manner as the Board may determine in accordance with the provisions of the applicable laws and the provisions of RSU 2018”.

“RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs.5/- per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under RSU 2018 on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI (SBEB) Regulations and other applicable laws.”

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations and any other applicable laws and regulations to the extent relevant and applicable to the RSU 2018.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the RSU 2018 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the RSU 2018 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI (SBEB) Regulations and any other applicable laws in force.

“RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of RSU 2018 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

Item No. 2:

To approve grant of employee stock options to the employees of Subsidiary Companies of the Company under Gokaldas Exports Employee Restricted Stock Unit Plan 2018

To consider and pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements entered into

by the Company with the Stock Exchanges, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), subject to such approvals, consents, permissions and sanctions, as may be necessary and further subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any Committee which the Board has authorized in this behalf including authorization of the powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to the Board to offer, grant and issue from time to time, in one of more tranches such number of employee stock options under 'Gokaldas Exports Employee Restricted Stock Unit Plan 2018' ("RSU 2018" or "Plan") within the limit prescribed therein to or for the benefit of such employees who are in the permanent employment of any existing or in future subsidiary company of the Company including any Directors thereof, whether whole time or otherwise (other than Promoter(s), Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), of any existing or future subsidiary company(ies) of the Company whether in or outside India as may be decided under RSU 2018, exercisable into corresponding number of equity shares of face value of Rs.5/- (Rupees Five) each fully paid-up, where one employee stock option would convert in to one equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of RSU 2018."

"RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company."

"RESOLVED FURTHER THAT any Director of the Company or Company Secretary, be and are hereby severally authorized, to do all such acts, deeds, matters and things as may be necessary, expedient and usual for the purpose of giving effect to this resolution."

Item No. 3:

To Increase the Remuneration of Mr. Sivaramakrishnan Ganapathi – Managing Director with effect from April 1, 2018, and if thought fit, to pass with or without modification(s) the following resolution as an "Special Resolution".

"RESOLVED THAT pursuant to the provisions of section 196, 197 and 203 and all other applicable provisions, if any of the Companies Act, 2013, ("the Act") read with Schedule V to the said Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof, for time being in force), subject to such other provisions as may be applicable under the Act, Articles of Association and subject to such other approval(s) or sanction(s) as may be required and recommendation of the Nomination and Remuneration Committee of the Board and Board of Directors of the Company and subject to the approval of the Central Government, if any, the consent of the members of the Company be and is hereby accorded to increase the remuneration of Mr. Sivaramakrishnan Ganapathi, Managing Director with effect from April 1, 2018.

- Monthly Basic Salary of Rs 11 Lakhs p.m. House rent Allowance at the rate of 30% of the basic salary.
- Assured Bonus payment of Rs 50 Lakhs per annum, payable at the end of the financial year
- Annual Increments (subject to a minimum of 10%) as may be decided by the Nomination and Remuneration Committee, from time to time.
- Performance based variable pay upto a maximum of Rs. 150 lakhs per annum, as may be determined by the Nominations and Remunerations Committee at the end of the year on achievement of certain goals by the company during the year and as per the Variable pay policy of the company.
- Contribution to Provident fund, National Pension scheme, to the extent that these either singly or put together are not taxable under the Income Tax Act
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service
- Perquisites shall include personal accident insurance, reimbursement of medical expenses incurred for self and family, club subscriptions, provision of cars etc., as per the policies of the Company in force.
 - Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes) the perquisites shall be valued as per income tax rules.
 - Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites.
- Within the overall approved limits the salary may be restructured from time to time.
- ESOP - 3,00,000 Options granted by the Nomination and Remuneration Committee as per the approved ESOP Scheme and any further grants under existing ESOP Scheme or any other scheme as and when approved.
- Mr. Sivaramakrishnan Ganapathi, Managing Director will be subject to all other service conditions as applicable to any other senior management employee of the Company.
- Mr. Sivaramakrishnan Ganapathi, Managing Director will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.

RESOLVED FURTHER THAT in any financial year during the currency of tenure of Mr. Sivaramakrishnan Ganapathi- Managing Director, the Company has no profits or the profits of the Company are inadequate, the Company will pay minimum remuneration by way of salary including perquisites and allowances as specified above subject to shareholders' and central Government approval, if and as applicable.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as they may deem fit."

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

Item No. 4:

Increase in the limit of shareholding by registered Foreign Portfolio Investors (FPIs) from 24% to 49% of the paid up capital of the Company.

"RESOLVED THAT pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999, the Companies Act, 2013, to the extent applicable, the Consolidated Foreign Direct Investment Policy Circular of 2017 ("Consolidated FDI Policy"), as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended and all other applicable laws, rules, regulations, guidelines and subject to the approvals, consents and permissions of the Government of India, the Foreign Investment Promotion Board, the Reserve Bank of India ("RBI") and any other appropriate authorities, institutions or bodies as may be necessary and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of the concerned authorities while granting such approvals, permissions and sanctions and the like, which may be agreed to by the Board of Directors of the Company (Board which term shall include any Committee thereof which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded for purchase/acquisition of Equity Share by foreign investors including Foreign Institutional Investors ("FIIs") registered with the Securities and Exchange Board of India ("SEBI"), on their own account and/or on behalf of their SEBI approved sub-accounts or Foreign Portfolio Investors (FPIs), on the recognized stock exchange or in any other manner, subject to the condition that the aggregate holding of the FIIs/FPIs shall not exceed 49% of the paid up equity share capital of the Company, provided however that the shareholding of each FII, on its own account and on behalf of each of the SEBI approved sub-accounts of FPI shall not exceed such other limit as may be stipulated by Reserve Bank of India in each case, from time to time."

"RESOLVED FURTHER THAT Mr. Sivaramakrishnan Ganapathi – Managing Director, Mr. Sathyamurthy A – Chief Financial Officer and Ms. Ramya K -Company Secretary of the Company be and are hereby authorized to do all such acts, deeds and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or other regulatory bodies and to represent the Company before any government authorities and delegating all or any of the power conferred herein to any Committee or Directors of the Company."

By Order of the Board of Directors
For Gokaldas Exports Limited

Ramya K
Company Secretary

Place: Bengaluru
Date : May 24, 2018

NOTES

- A. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 stating all material facts and the reasons for the proposal is annexed hereto.
- B. The Postal Ballot Notice is being sent to the Members, whose names appear on the Register of Member/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 20th July, 2018. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding)/the Company's registrar and share transfer agent (in case of Physical shareholding). For members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage-prepaid self-addressed Business Reply Envelope.
- C. Members whose names appear on the Register of Members/List of Beneficial Owners as on 20th July, 2018 will be considered for the purpose of voting. A person who is not a Member as on the relevant date should treat this notice for information purposes only.
- D. Resolutions passed by Members with requisite majority, through Postal Ballot shall be deemed to have been passed at a General Meeting of Members convened on that behalf.
- E. Members can opt for only one mode of voting i.e., either by physical ballot or e-voting in case Members cast their votes through both the modes, voting cast through e-voting shall be treated as valid and votes cast through physical Postal Ballot Forms will be treated as invalid.
- F. In case a Member wishes to obtain a printed Postal Ballot Form or a duplicate, he or she may send an email to invstocare@gokaldasexports.com. The registrar and share transfer agent/Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member.
- G. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of Members as on 20th July, 2018. The Postal Ballot Period Commences on 28th July, 2018 at (10.00 hours) and ends on 26th August, 2018 (17.00 Hours).
- H. In compliance with Section 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to Members to exercise their votes electronically and to vote on all resolutions through the e-voting service facility arranged by Karvy Computershare Pvt Ltd. The instructions for electronic voting are annexed to this Notice.
- I. Members cannot exercise votes by proxy.
- J. Members wishing to exercise their vote by physical postal ballot are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the scrutinizer not later than the close of working hours 26th August, 2018 (17.00 Hours). The postage will be borne by the Company. However, envelopes containing postal ballot, if sent by courier or registered/speed post at the expense of the Members, will also be accepted. Postal Ballot Forms received after 26th August, 2018 (17.00 Hours) shall be deemed invalid.

VOTING THROUGH ELECTRONIC MEANS:

In Compliance with Regulation 44, SEBI (Listing Obligation and Disclosure Requirements, 2015 (the "Listing Regulations") and Sections 108,110 and other applicable provisions of the Companies Act, 2013 read with the related Rules, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically instead of dispatching the physical Ballot Form by post. The Company has engaged the services of M/s Karvy Computershare Pvt Ltd for the purpose of providing e-voting facility to all its Members.

The instructions for e-voting are as follows:

1. Members whose email addresses are registered with the depository participant(s) will receive an email from M/s Karvy Computershare Pvt Ltd informing them of their User ID and password. Once the Member receives the email, he or she will need to go through the following steps to complete the e-voting process
 - a. For Shareholders whose email address is registered- open the attached PDF file "gokaldasexports e-voting.pdf" by giving your Client Id (in case you are holding share(s) in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password which contains your "User Id" and "Password" for e-voting;
 - b. For Shareholders who have not registered their email ids: please refer to the user id and password printed on the Postal Ballot Form;
 - c. Please note that the password is an initial password;
 - d. Open internet browser by typing the URL: <https://evoting.karvy.com>;
 - e. Click on Shareholder – Login;
 - f. Put user ID and password as initial password noted in step (i) above and click Login;
 - g. Password change menu appears. Change the password with new password of your choice with minimum 8 characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Note your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
 - h. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles;
 - i. Select "EVSN" (i.e. E-Voting Sequence Number) of Gokaldas Exports Limited;
 - j. Now you are ready for e-Voting as Cast Vote page opens. Voting period commences on 28th July, 2018 at (10.00 hours) and ends on 26th August, 2018 (17.00 Hours).
 - k. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Upon confirmation, the message "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote;
 - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (in PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at nagendradrao@gmail.com with a copy marked to evoting@karvy.com;
 - m. In case Shareholders desiring split voting i.e. voting FOR and AGAINST on the same resolution, can do so by downloading Postal Ballot Form from the link <https://evoting.karvy.com> or www.gokaldasexports.com or by obtaining duplicate Form from the Company's Registrar and Share Transfer Agent, Karvy Computershare Private Limited, Unit: Gokaldas Exports Limited, Karvy Computershare Pvt Ltd, Karvy Selenium Tower B, Plot NO. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; and
 - n. The date of declaration of results of the postal ballot, i.e. 28th August, 2018, shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority
2. For Members whose email IDs are not registered with the depository participant(s) and who receive the physical Postal Ballot Forms, the following instructions may be noted:
 - a. Initial password is provided as below, at the bottom of the Postal Ballot Form;

EVSN (E-Voting Sequence Number)	USER ID	PASSWORD/PIN
 - b. Please follow all steps from Sl. No. (ii) to (xi) of (a) above, to cast vote; and
 - c. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e-voting user manual for members available at the website of E-voting Platform Provider viz. <https://evoting.karvy.com> or contact M/s Karvy Computershare Private Limited at toll free number 1800 345 4001.
 - d. If you are already registered with M/s Karvy Computershare Private Limited for e-voting then you can use your existing user ID and password for casting your vote.
 - e. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- K. The voting period commence from 28th July, 2018 at (10.00 hours) and ends on 26th August, 2018 (17.00 Hours), the e-voting module shall also be disabled by M/s Karvy Computershare Private Limited for voting thereafter.

- L. As per Rule 22 of the Companies (Management and Administration) Rules, 2014, inter-alia details of dispatch of Notice and Postal Ballot Form to the Shareholders will be published in at least one English language and one vernacular language newspaper.
- M. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot will be announced on 28th August, 2018 at the Registered Office. The result of the Postal Ballot along with the Scrutinizer's Report will also be displayed on the Company's website www.gokaldasexports.com and also on the website of M/s Karvy Computershare Private Limited i.e. <https://evoting.karvy.com> and shall be communicated to the stock exchanges where the Company's shares are listed. The result of the Postal Ballot will also be published in the newspapers.

Explanatory Statements under Section 102 of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

Item No. 1 & 2

Approval of 'Gokaldas Exports Employee Restricted Stock Unit Plan 2018' and to approve grant of employee stock options to the employees of Subsidiary Companies of the Company under Gokaldas Exports Employee Restricted Stock Unit Plan 2018

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the Ownership of the Company through stock-based compensation scheme. Your Company believes that equity based compensation plans are an effective tool to reward the talents working with your Company as well as subsidiary companies. With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, your Company intends to implement an employee stock option plan namely 'Gokaldas Exports Employee Restricted Stock Unit Plan 2018' ("RSU 2018"/"Plan") seeking to cover eligible employees of the Company including its subsidiary companies.

Accordingly the Board of Directors ("The Board") of the Company at its meeting held on 3rd February, 2018 and May 18, 2018 approved introduction of RSU 2018 subject to the Approval of the members and the Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time ("SEBI SBEB") and allotment of equity shares of the company upon exercise of such options to the Eligible Employees of the Company including its subsidiary companies as determined by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include Nomination and Remuneration Committee or such other Committee that may be constituted by the Board for this purpose. Each option will give the holder thereof, or other person entitled under the plan, the right but not the obligation to subscribe for case to one fully paid up equity shares of Rs. 5/- each of the Company ("Share").

Approval of the members is being sought for issue of employee stock options to the eligible employees of the Company and its subsidiary companies.

The main features of the Plan are as under:

A. Brief Description of the plan:

Keeping view the aforesaid objectives, the Plan contemplates grant of employee stock options to the eligible employees of the Company. After vesting of employee stock options, the eligible employees earn a right (but not obligation) to exercise the vested employee stock options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") of the Company shall act as Compensation Committee for the administration of RSU 2018. All questions of interpretation of the RSU 2018 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in RSU 2018.

B. Total number of Options to be granted:

1. The total number of Options to be granted under the RSU 2018 shall not exceed 21,33,040 (Twenty one Lakhs Thirty Three Thousand Forty Only). Each Option when exercised would be converted in to one equity share of Rs. 5/-(Five) each fully paid-up.
2. Further, the SEBI (SBEB) Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number and price of the Options granted in such a manner that the total value of the Options granted under the RSU 2018 remain the same after any such corporate action. Accordingly, if any additional Options are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the ceiling of 21,33,040 (Twenty one Lakhs Thirty Three Thousand Forty Only), shall be deemed to be increased to the extent of such additional Options issued.

C. Identification of classes of employees entitled to participate in the RSU 2018:

All the permanent employees of the Company including any Director Whole time or not including its Subsidiary whether existing or future, shall be eligible to participate in the Plan. Provided however that the following persons shall not be eligible to participate in RSU 2018:

- (i) an employee who is a Promoter or belongs to the Promoter Group;
- (ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; and
- (iii) a Director being an Independent Director.

D. Requirements of vesting and period of vesting:

All the Options granted on any date shall vest not earlier than minimum of 1 (One) year and not later than a maximum of 4 (Four) years from the date of grant of Options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time subject to these minimum and maximum vesting period.

The vesting dates in respect of the Options granted under the Plan shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of Options granted to an employee.

Options shall vest essentially based on continuation of employment/ service as per requirement of SEBI (SBEB) Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

E. Maximum period within which the Options shall be vested:

All the Options granted on any date shall vest not later than a maximum of 4 (Four) years from the date of grant of Options as stated above.

F. Exercise price or pricing formula:

The exercise price per Option shall be such price as may be decided by the Committee which shall not be lesser than the face value of an equity share of the Company as on date of grant of Option.

G. Exercise period and the process of Exercise:

The exercise period would commence from the date of vesting and will expire on completion 5 (Five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested Option shall be exercisable by the Option grantees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the Option grantee. The Options shall lapse if not exercised within the specified exercise period.

H. Appraisal process for determining the eligibility of employees under the RSU 2018:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous year(s), contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

I. Lock-in period:

The shares issued pursuant to exercise of options shall not be subject to any lock-in period restriction. However shares transferred on such exercise cannot be sold for such period of time from the date of transfer in terms of Code of Conduct for Prevention of Insider Trading of the Company read with Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015

J. Maximum number of options to be issued per employee and in aggregate:

The Maximum number of options under RSU 2018 that may be granted to each employee in any year shall in aggregate not exceed 1% (one percent) of the issued equity share capital.

If the number of Options that may be offered to any specific employee shall exceed 1% (one percent) or more of the issued capital (excluding warrants & conversion) of the Company at the time of grant of Options, then the Company shall take prior approval from members of the Company.

K. Maximum quantum of benefits to be provided per employee under the RSU 2018

Apart from grant of Options as stated above, no monetary benefits are contemplated under the Plan.

L. Route of RSU 2018 implementation:

The Plan shall be implemented and administered directly by the Company.

M. Source of acquisition of shares under RSU 2018:

The Plan contemplates issue of fresh/ primary shares by the Company.

N. Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under the present Plan.

O. Maximum percentage of secondary acquisition:

This is not relevant under the present Plan.

P. Accounting and Disclosure Policies:

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments ("Guidance Note") and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or other relevant statutory authority from time to time, including the disclosure requirements prescribed therein.

Q. Method of Option valuation:

The Company shall adopt 'fair value method' for valuation of Options as prescribed under Guidance Note or under any Accounting Standard, as applicable, notified by appropriate authorities from time to time.

R. Declaration

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

Consent of the members is being sought by way of special resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI (SBEB) Regulations.

A draft copy of the RSU 2018 is available for inspection at the Company's Registered Office / Corporate Office during official hours on all working days till the date of the Postal Ballot/Extra Ordinary General Meeting.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under the Plan.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.1 &2 of the accompanying notice, the Board of Directors commend the resolution to be passed as Special Resolution.

Item No. 3

To Increase the Remuneration of Mr. Sivaramkrishnan Ganapathi – Managing Director with effect from April 1, 2018.

The Members may note that based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on May 24, 2018, approved the increase of remuneration of Mr. Sivaramkrishnan Ganapathi – Managing Director of the Company under the provisions of the Companies Act, 2013 w.e.f April 1, 2018, subject to the approval of the members of the Company.

Terms of emoluments:

- Monthly Basic Salary of Rs 11 Lakhs p.m. House rent Allowance at the rate of 30% of the basic salary.
- Assured Bonus payment of Rs 50 Lakhs per annum, payable at the end of the financial year
- Annual Increments (subject to a minimum of 10%) as may be decided by the Nomination and Remuneration Committee, from time to time.
- Performance based variable pay upto a maximum of Rs. 150 lakhs per annum, as may be determined by the Nominations and Remunerations Committee at the end of the year on achievement of certain goals by the company during the year and as per the Variable pay policy of the company.
- Contribution to Provident fund, National Pension scheme, to the extent that these either singly or put together are not taxable under the Income Tax Act
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service
- Perquisites shall include personal accident insurance, reimbursement of medical expenses incurred for self and family, club subscriptions, provision of cars etc., as per the policies of the Company in force.
 - Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing benefit to the employees. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including car provided for official and personal purposes) the perquisites shall be valued as per income tax rules.
 - Provision of telephone at residence and expenses on account of car for official use shall not be reckoned as perquisites.
- Within the overall approved limits, the salary may be restructured from time to time.
- ESOP - 3,00,000 Options granted by the Nomination and Remuneration Committee as per the approved ESOP Scheme and any further grants under existing ESOP Scheme or any other scheme as and when approved.
- Mr. Sivaramkrishnan Ganapathi, Managing Director will be subject to all other service conditions as applicable to any other senior management employee of the Company.
- Mr. Sivaramkrishnan Ganapathi, Managing Director will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.

In pursuance to Schedule V, Part II, Section II Part (B), proviso (iv), a statement Containing following information is reproduced:

I General information:

1. Nature of the Industry and Brief Background about the Company:

Gokaldas Exports Limited (GEL) is engaged in the business of design, manufacture and sale of a wide range of garments for men, women and children and caters to the needs of several leading international fashion brands and retailers. GEL is one of the India's largest manufacturer/exporters of readymade garments.

2. Incorporation Details:

Gokaldas India was incorporated in 1979 and in 2004 Gokaldas Exports Limited (GEL) was incorporated by converting the erstwhile partnership firm Gokaldas India under Part IX of the Companies Act, 1956. Pursuant to the order of the Hon'ble High Court of Karnataka dated November 20, 2004. Gokaldas Exports Private Limited and The Unique Creations (Bangalore) Private Limited have been amalgamated with the Company, with effect from April 1, 2004 being the appointed date. The Company has commenced its commercial production since 1979.

3. Financial Performance:

The Financial performance (standalone) of the Company for the past 3 years (approved and adopted by the members) along with the financials for the year 2017-18 is produced below:

Rs. In Crs.

Particulars	2014-15	2015-16	2016-17	2017-18
Turnover	1116.29	1150.96	958.45	1073.14
Profit/(Loss) Before Tax	34.35	51.08	(45.79)	(28.75)
Profit/(Loss) after Tax	34.35	60.67	(46.21)	(28.75)
Dividend (%)	Nil	Nil	Nil	Nil

4. Export performance and net foreign exchange earnings:

Exports range from 80% to 85% of total revenue, and foreign exchange earnings for the year 2017-18 is Rs. 755.98 Crores.

5. Foreign Investment or collaborations, if any

The company has invested in Yepme International UK which shall provide exposure to digital sales channel, fast fashion design & procurement and online marketing tools, along sides efforts to revitalize its "Wearhouse" Brand to explore possible gains in India Retail.

II. Information about the Managerial Person being appointed:

1. Background Details of Mr. Sivaramakrishnan Ganapathi

After a long career spanning 27 years leading several high growth businesses in diverse industries across several countries in Asia, North America and Europe, Sivaramakrishnan Ganapathi (Siva) has joined Gokaldas Exports Ltd. as its Managing Director and CEO w.e.f 3rd October, 2018.

Siva has been with the Aditya Birla Group for the last 21 years, having joined them in 1996. Till recently he was the Chief Operating Officer of Idea Cellular Ltd. responsible for their business based in Delhi. Siva was part of Idea's management team since Nov 2009, when he led the then acquired business from Spice Communications in Karnataka and shaped its turnaround. He revamped the organization, strengthened its business processes, expanded its network infrastructure and led massive expansion of sales and service teams. He grew the business revenue by a CAGR of 20%, which was twice the industry growth rate, and turned around the entity to generate healthy EBITDA.

Before joining Idea Cellular, Siva was President of Aditya Birla Minacs a BPO business based in Toronto, Canada. Siva led the acquisition of this company for the Aditya Birla Group and played a key role in growing the company from \$6 million revenue in 2003 to about \$400 million in 2009 through a combination of organic and inorganic approach. He helped expand the foot-print of the business to seven countries in Asia, Europe and North America.

Before moving to the BPO business Siva was in the Corporate Strategy team of the Aditya Birla Group for seven years, where he helped build new businesses, led M&A initiatives, forged business/technology alliances internationally for the Group. Siva worked for DSP Merrill Lynch, ICICI Ltd. and Uhde India Ltd. before joining the Aditya Birla Group. Siva is a PG Diploma in Management from IIM, Bangalore and a B.Tech from NIT.

He doesn't hold any shares in the Company as on date of this report.

2. Past remuneration

Salary for the past 3 years:

Year	Rupees in Lakhs
2015-16	173.76
2016-17	136.88
2017-18	249.79

3. Recognition or awards:

Not Applicable

4. Job Profile and his suitability

GEL is one of the India's largest manufacturer/exporters of readymade garments with a turnover of over approx. Rs. 1200 Crores. GEL has 12 wholly owned subsidiaries which support the holding company. GEL employs around 23,000 people and has more than 20 fully equipped modern, manufacturing facilities with a capacity to produce and export about 2.5 million garments a month.

Mr. Sivaramakrishnan being Executive Director and Managing Director is responsible for the entire operations of the Company in all aspects and also drives the operations of the subsidiary companies. Mr. Sivaramakrishnan throughout his career worked in various business leadership roles with some of India's largest corporations. With his vast professional and leadership experience, he is the best fit to lead the Company of this size and scale.

5. Remuneration Proposed

Breakup of the remuneration is mentioned in the resolution.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (incase of expatriates the relevant details would be with respect to the country of his origin)

Our company cannot be compared to another company in the industry due to various parameters. However, the remuneration paid to the Managing Director is less compared to industry standard as a whole.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Nil

III. Other Information:

1. Reasons for loss or inadequate profits:

The Company's revenue increased by 12% in FY 17-18 compared to the previous year. The loss during the year was largely contributed by drop in duty drawback consequent to GST implementation to the extent of 2.7% of the sale value (during the second half of FY 17-18) and due to appreciation of Rupee against US Dollar during FY 17 – 18.

2. Steps taken or proposed to be taken for improvement: The Company initiated restructuring of its operational facilities by merger/consolidation of smaller factories into bigger factories besides setting up new facilities in low cost zones in Karnataka. The company has also initialed setting up factories in Andhra Pradesh by acquiring 10 acres of land near Madanapalle bordering Karnataka to avail the attractive incentives and incentives given by the Andhra Pradesh Government.

We have undertaken substantive strategic measures to improve our performance, viz: focus on increasing share of business with existing customers, develop new customers and markets, focus on high margin product basket, strengthen design capabilities, improve manufacturing efficiencies, and sustain focus on tighter financial management. Our efforts have resulted in acquiring new customers in FY 18 and these initiatives will help us achieve enhanced results in the coming years.

3. Expected increase in productivity and profit in measurable terms: our business is complex since we are dependable on Foreign market which is highly competitive and changes in respect of fashions, designs happen very frequently. Since major customers are globally located, futuristic prediction may not be realistic. Hence the number cannot be derived in absolute terms.

However, the Board of Directors are taking all the necessary steps to increase the productivity and profitability in the interest of all the Stakeholders.

Except to the extent of Mr. Sivaramakrishnan Ganapathi None of the other Directors, Key Managerial Personnel or their relatives are in any way concerned or interest in this resolution.

Your Board of Directors commend the resolution to be passed as Special Resolution

Item No. 4

Increase in the limit of shareholding by registered Foreign Portfolio Investors (FPIs) from 24% to 49% of the paid up capital of the Company.

In terms of the Foreign Exchange Management (Transfer or issue of security by a person Resident Outside India) Regulations, 2017, as amended from time to time, the total holdings of all Foreign Institutional Investors (FIIs)/SEBI approved sub-accounts of FIIs put together shall not exceed 24% of the paid-up equity capital of the Company. This limit of 24% can be increased to the sectoral cap/Statutory limit, as applicable by the Company, by passing a Special Resolution to that effect by its Shareholders.

Present holding of FIIs in the Company is about 15% of Paid up capital and the same has shown an increasing trend. To make more space for FIIs to invest in the equity of the Company, it is proposed to increase the present limit of FIIs shareholding in the Company from 24% up to an aggregate limit of 49% of paid up equity share capital of the Company in one or more tranches.

Accordingly, consent of the Shareholders is sought by way of a Special Resolution through postal Ballot and voting through electronic means (remote e-Voting) as set out as item No.4 in the Notice of Postal Ballot.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interest in this resolution.

Your Board of Directors commend the resolution to be passed as Special Resolution.

By Order of the Board of Directors
For **Gokaldas Exports Limited**

Ramya. K
Company Secretary

Place: Bengaluru
Date : May 24, 2018

