

Draft Agreement

This Agreement is made and entered into this _____ day of _____, 2019 between Gokak Textiles Limited, a Company incorporated in India under the Companies Act, 1956 and having its Registered Office at #1, 2nd floor, 12th Cross, Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Bengaluru, 560 098 (hereinafter called 'the Company' which expression shall unless repugnant to the context thereof, include its successors and assigns) of the One Part and Mr. Ramesh R Patil (DIN: 07568951) presently residing at Gokak Falls, Dist. Belgaum, Karnataka State 591 308 (hereinafter called "Mr. Patil" or "Appointee") of the Other Part :

WHEREAS the Board of Directors of the Company on July 8, 2016 had, with the approval of the Shareholders of the Company, appointed Mr. Patil as the Chief Executive Officer & Managing Director with effect from July 18, 2016 for a period of three years from July 18, 2016 to July 17, 2019 (both days inclusive)

AND WHEREAS the Board of Directors of the Company on May 23, 2019, subject to the approval of the Shareholders of the Company, re-appointed Mr. Patil as Chief Executive Officer & Managing Director with effect from July 18, 2019 for a period of three years from July 18, 2019 to July 17, 2022 (both days inclusive).

AND WHEREAS the Shareholders of the Company at their meeting held on September 20, 2019 have given their consent to the appointment of Mr. Patil as the Chief Executive Officer & Managing Director, the terms of appointment and have approved the remuneration for a period of 3 years with effect from July 18, 2019.

AND WHEREAS the appointment of Mr. Patil as Chief Executive Officer & Managing Director and the remuneration and the perquisites proposed to be paid or granted to him are in conformity with the provisions and requirements of sections 196, 197, 198, 203 and the rules made there under read with Schedule V of the Companies Act, 2013 are subject to approval of the Central Government, if required.

Now this Agreement witnesseth the terms of appointment and remuneration as follows:

1. The appointment of Mr. Patil shall be for a period of three years from July 18, 2019 to July 17, 2022 (both days inclusive). The appointment of Mr. Patil, as Managing Director, shall be subject to the retirement policy of the Company for the time being.
2. During his tenure as the Chief Executive Officer & Managing Director the day-to-day management of the Company shall be in the hands of Mr. Patil, subject to the supervision and control of the Board of Directors of the Company.
3. Mr. Patil shall devote his whole time, attention and ability during business hours to the business of the Company and undertake travel in India and abroad for the same.

4. Mr. Patil shall not be subject to retirement by rotation in accordance with Section 152(6) of the Companies Act, 2013.
5. Salary benefits, perquisites of Mr. Patil shall be as set out in Schedule A hereto subject to the limits laid down under Sections 197 and 198 and Schedule V to the Companies Act, 2013 and conditions, if any laid by the Central Government.
6. Mr. Patil shall to the best of his skill and ability endeavour to promote the interest and welfare of the Company and to conform to and comply with the directions given by the Board from time to time.
7.
 - (a) Mr. Patil shall by virtue of his appointment as the Chief Executive Officer & Managing Director, unless and until otherwise resolved by the Board, be a Member of all Committees appointed by the Board consisting of some of the Members of the Board.
 - (b) Mr. Patil shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof.
8. Mr. Patil shall not have the following powers:
 - (a) the power to make calls on Shareholders in respect of moneys unpaid on shares of the Company; and
 - (b) the power to issue Debentures.
9. Mr. Patil shall, subject to the prior sanctions of the Board and subject to such restrictions, conditions and limits as may be imposed by the Board, or where permitted by a Committee of the Board, have the power to:
 - (a) invest the funds of the Company in -
 - (i) securities of the Government of India or of any of the State Governments or Foreign Government;
 - (ii) any Municipal bonds and bonds issued by statutory Corporations and Public Authorities, whether Indian or Foreign; and
 - (iii) debentures, preference shares and equity shares of any private, public and/or Government companies registered in India or elsewhere;
 - (b) borrow moneys otherwise than on debentures for the purpose of the business of the Company;
 - (c) accept call deposits and/or fixed deposits;
 - (d) place the funds of the Company on call or fixed deposits with Companies, banks and other institutions;
 - (e) sell any of the investments of the Company;
 - (f) purchase and sell other assets of the Company; and
 - (g) appoint or engage staff or other consultants or advisors.

10. Mr. Patil shall be entitled to accumulate leave upto a maximum period of 240 days or such period as may be approved by the Chairman of the Board. In respect of leave availed, Mr. Patil shall be reimbursed actual air/rail/road transportation incurred by him, his wife and dependent children to any place in India, subject to such rules, regulations and conditions as the Board may from time to time prescribe.
11. During the continuance of this Agreement, the Company shall at its cost take out Personal Accident Insurance Policy insuring Mr. Patil and shall pay the premium, in respect thereof from time to time.
12. Mr. Patil shall not during the continuance of his employment hereunder or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company of any information or knowledge obtained by him during his employment as to the business or affairs of the Company or its methods or as to any trade secrets or secret processes of the Company and Mr. Patil shall during the continuance of his employment hereunder also use his best endeavor to prevent any other person from so doing provided however that any such divulgence or disclosure to the officers and employees of the Company for the purposes of business of the Company shall not be deemed to be a contravention of this clause.
13. Mr. Patil shall not directly or indirectly engage himself in any business or activity substantially similar to or competing with the business activity of the Company during the term of the Agreement.
14. Mr. Patil shall not become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company without the prior approval of the Company and the Central Government.
15. Mr. Patil shall be entitled to reimbursement of all actual expenses, including on entertainment and traveling, incurred in the course of the Company's business.
16. In case of death of the Appointee during the course of his employment, the Company will pay to his legal representatives, the salary and other emoluments payable for the then current month.
17. Mr. Patil's employment shall be determined forthwith if he commits a breach of any of the aforesaid terms, disqualifies himself to act as a Director for any reason except inadvertent breach of Section 167 of the Companies Act, 2013 or becomes insolvent, make any composition or arrangement with his creditors or ceases to be a Director of the Company.
18. Notwithstanding anything to the contrary herein contained either party shall be entitled to determine this Agreement at any time by giving not less than six calendar months' notice to that behalf to the other party without being required to show any cause and on the expiry of the period of such notice

this Agreement shall stand terminated and Mr. Patil shall cease to be a Director of the Company, provided that the Company shall be entitled to terminate the Agreement by giving six months' salary in lieu of notice.

19. All Notices shall be in writing and shall be sent to the Company's Registered Office and to the last known residential address of Mr. Patil.
20. The Agreement with Mr. Patil shall be the entire Agreement between the parties and shall supersede and cancel all prior arrangement, agreements and understandings, oral or written, on the subject matter.
21. Terms of remuneration of Mr. Patil can be varied, increased, expanded, enhanced, enlarged, widened or altered with the consent of the Company and Mr. Patil to the extent to which it may be varied, increased, expanded, enhanced, enlarged, widened or altered, in accordance with the provisions relating to the payment of managerial remuneration under the Companies Act, 2013 including Schedule V to the Companies Act, 2013.

SCHEDULE 'A'

Details of salary, benefits and perquisites of Mr. Ramesh R Patil

The details of remuneration payable to Mr. Ramesh R Patil and the terms and conditions of the appointment are given below:

Scale of Basic Salary per month	Rs. 100000 to 250000
Perquisites, allowances and Incentives *	Not exceeding 250 % of Basic Salary

* Perquisites and allowances and other benefits shall be interchangeable.

In addition Mr. Ramesh R. Patil would be entitled to Company's contribution to Provident Fund and other perquisites/facilities/benefits (including Company's car with driver, Telephone/Mobile Allowance and Leave encasement and other benefits) per the Company Policies applicable from time to time.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Mr. Patil, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above and shall be subject to a maximum as permitted, under Section 197, 198 and other applicable provisions, if any, of the Act and Schedule V thereto.

In witness whereof the parties hereto have executed these present, the day and year first above written at Mumbai.

The Common Seal of the abovenamed)
Gokak Textiles Limited was pursuant)
to a resolution of the Shareholders)
of the Company passed in that behalf on the)
....., 2019 hereunto affixed in the)
presence of Mr.)
Director of the Company.)
)
)
Signed and delivered by the)
abovenamed Mr. Ramesh R Patil (DIN:)
07568951))