

# RCL RETAIL LIMITED

Regd off: SAPNA TRADE CENTRE, 10<sup>TH</sup>FLOOR, E: [rclretail@gmail.com](mailto:rclretail@gmail.com)  
10B/2 NO. 109, P.H ROAD, CHENNAI – 600084 W: [www.rclretail.in](http://www.rclretail.in)  
CIN: L52330TN2010PLC077507 T: +91-44-48508024

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Date: 4<sup>th</sup> March, 2021

Ms. Sujathaa Mehta  
Old No: 157-158/11,  
New No: 239/241/11,  
Sydenhams Road, Periamet,  
Park Town, Chennai – 600 003

Dear Madam,

**Sub: Your appointment as an Independent Director**

We are pleased to inform you that the Board of Directors of the Company at their Meeting held on Thursday, the 4<sup>th</sup> March, 2021, have approved your appointment as an Independent Director of the Company, for a period of five consecutive years with effect from the said date, in terms of the provisions of Section 149 the Companies Act, 2013 and Rules made there under subject to members' consent at the ensuing Tenth Annual General Meeting to be held on Wednesday, 31<sup>st</sup> March 2021..

This letter of appointment setting out the terms and conditions thereof including remuneration, if any, is being issued to you in terms of Clause IV (4) of Schedule IV to the said Act.

The aforesaid Schedule IV *inter alia* covers the guidelines of professional conduct, roles, functions, duties, etc., of the Independent Directors. Further, Section 166 of the Companies Act, 2013 provides for the duties of Directors of a company. You may refer to the extracts of the relevant provisions of the Companies Act, 2013 along with the Schedule IV annexed herewith for your information.

Furthermore, we request you to provide the necessary disclosure under all applicable laws and adhere to Code of Business Conduct and Ethics, for dealing in Company's securities and various other Codes and Policies formulated and adopted by the Company from time to time.

Presently, the Company has following Committees of Directors with their terms of reference already determined:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders Relationship Committee
- d. Corporate Social Responsibility Committee.

You have been appointed as a Member in the following committees:

**The Audit Committee** was re-constituted as under at the Board meeting held on 4th March 2021.

Name of Director	Designation	Category
Mr. Navratan Mal Lunkar	Chairman	Independent Director
Mr. Ratanchand Lodha	Member	Non Executive Director
Ms. Sujathaa Mehta	Member	Independent Director

**NOMINATION & REMUNERATION COMMITTEE** was re-constituted as under at the Board meeting held on 4th March 2021.

Name of Director	Designation	Category
Mr. Navratan Mal Lunkar	Chairman	Independent Director
Mr. Ratanchand Lodha	Member	Non Executive Director
Ms. Sujathaa Mehta	Member	Independent Director

**The Stakeholders Relationship committee** was re-constituted as under at the Board meeting held on 4th March 2021:

Name of Director	Designation	Category
Mr. Ratanchand Lodha	Chairman	Non Executive Director
Mr. Navratan Mal Lunkar	Member	Independent Director
Ms. Sujathaa Mehta	Member	Independent Director

**The Risk Management committee of your company** was re-constituted as under at the Board meeting held on 4th March 2021:

Name of Director	Designation	Category
Mr. Ratanchand Lodha	Chairman	Non Executive Director
Mr. Navratan Mal Lunkar	Member	Independent Director
Ms. Sujathaa Mehta	Member	Independent Director

The Board may request you from time to time for being appointed on any other Committee as may be constituted from time to time. The mandate of the Committees shall be as decided by the Board from time to time.

The terms of your appointment shall be determined by the Board from time to time.

In the event of any circumstances that may arise or is likely to arise, which may or may not create conflict of interest, but may lead to the Board to revise its judgment on your independency, such event should be disclosed to the Company immediately.

Looking forward to your continued support and guidance.

Thanking you,

Yours faithfully,  
**For RCL RETAIL LIMITED**

(Ratanchand Lodha)  
CHAIRMAN  
DIN:01534269  
Encl: as above.

## **SCHEDULE IV – CODE FOR INDEPENDENT DIRECTOR**

### **CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

#### **I. Guidelines of professional conduct:**

An independent director shall:

1. uphold highest ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the company or its shareholders or for purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

#### **II. Role and functions:**

The independent directors shall:

1. help in bringing an independent judgment to bear on the Board's deliberation especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. Duties :**

The independent directors shall:

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts with prior approval at the expense of the company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairperson or member;
5. strive to attend the general meetings of the company;
6. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
10. ascertain and ensure that the company has an adequate and functional Vigil Mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **IV. Manner of appointment:**

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
  - a. the term of appointment;
  - b. the expectation of the Board from the appointed director; the Board- level committee(s) in which the director is expected to serve and its tasks;
  - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d. provision for Directors and Officers (D and O) insurance, if any;
  - e. the Code of Business Ethics that the company expects its directors and employees to follow;
  - f. the list of actions that a director should not do while functioning as such in the company; and
  - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours, preferably with prior appointment.
6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

## **VI. Resignation or removal:**

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

## **VII. Separate meetings:**

1. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
  - a. review the performance of non-independent directors and the Board as a whole;
  - b. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **VIII. Evaluation mechanism:**

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

### **Duties of directors: (Section 166.):**

1. Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
2. A director of a company shall act in [good faith](#) in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the



company, its [employees](#), the [shareholders](#), the [community](#) and for the protection of [environment](#).

3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
5. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
6. A director of a company shall not assign his office and any assignment so made shall be void.

If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one [lakh](#) rupees but which may extend to five lakh rupees.