

RCL RETAIL LIMITED

Regd off: SAPNA TRADE CENTRE, 10THFLOOR,
10B/2 NO. 109, P.H ROAD, CHENNAI – 600084
CIN: L52330TN2010PLC077507

E: rclretail@gmail.com
W: www.rclretail.in
T: +91-44-48508024

Related Party Transactions Policy

1. Introduction

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulation 23”) and as amended from time to time, Rcl Retail Limited (Company) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Regulation 23(1) of the SEBI Listing Regulations requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In the light of the above, the Company has framed this Policy on Related Party Transactions (“Policy”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

2. Objectives

The Listing Agreement entered into with the Stock Exchange directs the formulation of a Policy on Material Related Party Transactions and also on dealings with Related Party Transactions.

3. Definitions

- a. “Act” means Companies Act, 2013.
- b. “SEBI Listing Regulations” means SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended
- c. “Regulation 23” means the Regulation no. 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time
- b. “Arm’s Length basis” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- c. “Audit Committee” means a committee of Board of Directors of the Company.
- d. “Board of Directors” or “Board” means the Board of Directors of the Company.
- e. “Company” means Rcl Retail Limited.
- f. “Key Managerial Personnel” or “KMP” shall have the meaning as defined in the Companies Act 2013 and as amended from time to time
- h. “Material Related Party Transaction” means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the Company as per the last audited financial statements of the company, whichever is higher as may be prescribed from time to time.

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- i. “Policy” means the Policy on Related Party Transactions, including amendments, if any, from time to time.
- j. “Related Party” have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended.
- k. “Related Party Transaction” means have the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time.
- l. “Relative” with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.

4. Policy

All Related Party Transactions entered by the Company must be reported to and approved by the Audit Committee, based on this Policy:

- Classification of Potential Related Party Transactions.
- Subsidiaries of the Company shall be considered as Related Parties.
- Key Managerial Personnel and connected Related Parties: Each Director and Key Managerial Personnel shall, at the beginning of the financial year, disclose to the Company Secretary of the Company their Related Parties and disclose any changes thereto, during the financial year, as immediately as practicable. The Company shall also identify Related Party Transactions, if any, with Directors or Key Managerial Personnel of the holding Company/ies or their relatives.
- The Company will identify the potential transactions with the Related Parties.

5. Review and approval of Related Party Transactions

a. Audit Committee:

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee, whether at a meeting or by resolutions by circular. However, the Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm’s Length basis, subject to the compliance of conditions.

Any member of the Audit Committee, who has a potential conflict of interest in any Related Party Transaction, will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

To review a Related Party Transaction, the Audit Committee shall be provided with necessary information with respect to actual or potential Related Party Transactions and/or prescribed under the Act and the Listing Agreement.

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While considering any Related Party Transaction, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such Transaction, the benefits to the Company and to the Related Party, whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters.

b. Board of Directors

The Related Party Transactions requiring Board consent, as mandated by the Act, shall be placed before the Board for its approval.

If the Audit Committee determines that any Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter, then the Board shall consider and approve such Related Party Transaction.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting, or shall abstain from discussion and voting on the approval of such Related Party Transaction, and shall not be counted in determining the presence of quorum when such Transaction is considered.

c. Shareholders

All the Material Related Party Transactions shall require prior approval of the shareholders, through special resolution, and the Related Parties shall abstain from voting on such resolutions.

All the Transactions, other than the Material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the shareholders through special resolution, if so, required under any law and the Related Party/ies with whom transaction is to be entered into shall abstain from voting on such resolution.

6. Related Party Transactions not previously approved

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be promptly placed before the Audit Committee or Board of Directors or the Shareholders, as may be required in accordance with this Policy, for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

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7. Disclosures

Details of any Material Related Party Transaction shall be disclosed to the stock exchange, quarterly, along with the compliance report on corporate governance.

The Company shall disclose the Policy on it's website and web-link shall be provided in the Annual Report.

8. Amendment in Law

Any subsequent amendment/modification in the Listing Agreement and/or applicable laws in this regard shall automatically apply to this Policy.