

CORPORATE GOVERNANCE

We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof and formulation and adoption of policies.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The following committees have been constituted for compliance with Corporate Governance requirements:

- A. Audit Committee;
- B. Stakeholders Relationship Committee;
- C. Nomination and Remuneration Committee;
- D. Corporate Social Responsibility Committee

A. Audit Committee:

Our Board has constituted the Audit Committee in accordance with the Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations by a resolution dated January 22, 2022. The audit committee comprises:

Sr. No.	Committee Members	Designation	Position in Committee
1.	Mr. Rushabh Shah	Non - Executive Independent Director	Chairman
2.	Mrs. Deepti Gavali	Non - Executive Independent Director	Member
3.	Mr. Ashok Shah	Non-Executive Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

- a. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the internal auditor, cost auditor and statutory auditor and the fixation of audit fee;
- c. Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

- d. Approving payments to the statutory auditors, internal and cost auditors for any other services rendered by statutory auditors, internal and cost auditors;
- e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)I of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications and modified opinions in the draft audit report.
- f. Reviewing with the management, the quarterly, half – yearly and annual financial statements before submission to the Board for approval;
- g. Scrutiny of inter-corporate loans and investments;
- h. Valuation of undertakings or assets of our Company, wherever necessary;
- i. Evaluating internal financial controls and risk management systems;
- j. Approving or subsequently modifying transactions of our Company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;

Explanation: The term “related party transactions” shall have the same meaning as provided in Regulation 2(1) (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or Companies Act, 2013.

- k. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer Document/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- l. Evaluating undertakings or assets of our Company, wherever necessary;
- m. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

- n. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
 - o. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - p. Discussing with internal auditors on any significant findings and follow up thereon;
 - q. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - r. Discussing with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - s. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - t. Approving appointment of the chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 - u. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
 - v. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; and
 - w. Formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time.
 - x. Reviewing the utilisation of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
 - y. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise if it considers necessary.
5. To have full access to the information contained in the records of the Company

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- f. Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations. (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(5) of SEBI Listing Regulations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders.

The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

B. Stakeholder Relationship Committee:

The Stakeholder's Relationship Committee of our Board was constituted by our Board of Directors pursuant to section 178 (5) of the Companies Act, 2013, Regulation 20 of the SEBI Listing Regulations vide resolution dated January 22, 2022. The Stakeholder's Relationship Committee comprises of:

Sr. No.	Committee Members	Designation	Position in Committee
1.	Mr. Rushabh Shah	Non - Executive Independent Director	Chairperson
2.	Mrs. Deepti Gavali	Non-Executive -Independent Director	Member
3.	Mr. Ashok Shah	Non-Executive Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future.
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;

- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

C. Nomination & Remuneration Committee:

The Nomination and Remuneration Committee of our Board was constituted by our Board of Directors pursuant to section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations vide resolution dated January 22, 2022. The Nomination and Remuneration Committee comprises:

Sr. No.	Committee Members	Designation	Position in Committee
1.	Mr. Rushabh Shah	Non - Executive Independent Director	Chairperson
2.	Mrs. Deepti Gavali	Non - Executive Independent Director	Member
3.	Mr. Ashok Shah	Non-Executive Director	Member

The Company Secretary & Compliance officer of the Company will act as the Secretary of the Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- e. Analysing, monitoring and reviewing various human resource and compensation matters;
- f. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- j. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - I. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

II. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

- k. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee

The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater. The Committee is required to meet at least once a year.

D. Corporate Social Responsibility (CSR) Committee:

The CSR Committee is the governing body that will define the scope of CSR activities for Company and ensure compliance with the Policy. The CSR Committee would comprise three or more directors including at least one independent director.

(a) The CSR Committee shall:

- (i) Formulate the Policy and recommend to the Board and any amendments thereto;
- (ii) Indicate the activities to be undertaken by Company as specified in the Companies Act;
- (iii) Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company, and the annual CSR plan to the Board;
- (iv) Monitor the CSR activities and compliance with the Policy from time to time; and
- (v) Review and implement, if required, any other matter related to CSR initiatives.

(b) The Board shall:

- (i) Approve the Policy based on the recommendation of the CSR Committee;
- (ii) Approve the CSR activities and annual CSR plan based on the recommendation of the CSR Committee; and
- (iii) Review the Policy and CSR activities.

2. COMPOSITION:

The CSR Committee shall consist of 3 or more directors, out of which at least one director must be an independent director. The Board may change the composition of the CSR Committee from time to time in such manner as it thinks fit and as required under the CSR Regulations.

The Composition of CSR Committee is as follows:

Sr. No.	Committee Members	Designation	Position in Committee
1.	Mr. Rushabh Shah	Non - Executive Independent Director	Chairperson
2.	Mr. Shalin Shah	Managing Director	Member
3.	Mr. Ashok Shah	Non-Executive Director	Member

By order of the Board
For Rhetan TMT Limited

Shalin A. Shah
Managing Director
DIN: 00297447