

CORPORATE GOVERNANCE

*Approved by Board of Directors at their meeting held on 17/05/2024
(Amended by Board of Directors at their meeting held on 27/09/2024)*

For SUBAM PAPERS LIMITED



MANAGING DIRECTOR

SUBAM PAPERS LIMITED

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CORPORATE GOVERNANCE

In addition to the applicability of provisions of Companies Act, 2013 with respect to corporate governance, provisions of the SEBI (LODR) Regulations, 2015 have also been complied with, to the extent applicable to our Company.

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 reports. 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. AuditCommittee;
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee;
- D. Corporate Social Responsibility Committee.

A. AUDITCOMMITTEE:

Our Board has constituted the Audit Committee vide Board Resolution dated 17//05/2024 in accordance with the Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. The audit committee comprises of:

Name of the Member	Designation in Committee	Nature of Directorship
Mr. Gurusamy Rathakrishna	Chairperson	Independent Director
Mr. Chelladurai Gunasingh Prithiviraj	Member	Independent Director
Ms. Sudha Alagarsamy	Member	Non- Executive Director

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

➤ Meetings of Committee

- a) The audit committee shall meet at least at least two times in a year and not more than one hundred and eighty days shall elapse between two meetings. Which was amended by Board meeting Dt 27.09.2024.
- b) (b) The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

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➤ **The Audit Committee enjoys following powers:**

The audit committee shall have powers;

- a) to investigate any activity within its terms of reference;
- b) seek information from any employee;
- c) obtain outside legal or other professional advice and
- d) secure attendance of outsiders with relevant expertise, if it considers necessary.

The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee. Provided that occasionally the audit committee may meet without the presence of any executives of the listed entity.

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

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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 issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

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8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look 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;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

➤ **The Audit Committee shall mandatorily review the following information:**

1. management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

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4. 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).
- b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

B. NOMINATION & REMUNERATION COMMITTEE:

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution dated 17/05/2024 pursuant to Regulation 19 of the SEBI Listing Regulations and section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of:

Name of the Director	Designation in Committee	Nature of Directorship
Mr. Gurusamy Rathakrishna	Chairperson	Independent Director
Mr. Chelladurai Gunasingh Prithiviraj	Member	Independent Director
Mrs. Sudha Alagarsamy	Member	Non-executive Director

➤ ***Meetings of Committee***

- a) The nomination and remuneration committee shall meet at least once in a year.
- b) The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

➤ **The Nomination and Remuneration Committee has following roles:**

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;

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5. 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 of directors their appointment and removal
6. 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.
7. recommend to the board, all remuneration, in whatever form, payable to senior management.

C. STAKEHOLDER RELATIONSHIP COMMITTEE:

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution dated 17/05/2024 pursuant to Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The Stakeholder's Relationship Committee comprises of:

Name of the Director	Designation in Committee	Nature of Directorship
Mr. Chelladurai Gunasingh Prithiviraj	Chairperson	Independent Director
Mr. Gurusamy Rathakrishna	Member	Independent Director
Mrs. Sudha Alagarsamy	Member	Non-executive Director

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

- **Meetings of Committee:** The stakeholders relationship committee shall meet at least once in a year.

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

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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