



## ANNEXURE V TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

*[Pursuant to para C of Schedule V of SEBI (LODR) REGULATIONS, 2015]*

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Since inception, Rajapalayam Mills Limited is assiduously following its determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all the stakeholders of the Company viz., shareholders, creditors, customers and employees. It strives to achieve these objectives through high standards in dealings and following business ethics in all its activities.

The Company believes in continuous up-gradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction. The Company leverages the developments in the technology for better compliances and communication.

The Company lays great emphasis on team building and motivation. A contented and well developed worker will give to the Company better work and therefore better profits. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the Organization.

If there is no customer, there is no business. Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security.

The Company also believes that as the Organization grows, the society and the community around it should also grow.

#### 2. BOARD OF DIRECTORS

The Board of Directors is headed by the Chairman Shri P.R. Venketrama Raja. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Finance, Law, Engineering, etc. The Board had 12 Directors as on 31-03-2021. Except Smt. R. Sudarsanam, all other Directors are Non-Executive. As required under Regulation 17 of the SEBI (LODR) Regulations, 2015 not less than 50% of the Board consists of Independent Directors.

In accordance with Clause C(h)(i) and (ii) of Schedule V read with Regulations 34(3) SEBI (LODR) Regulations, 2015, the Board of Directors have identified the following Core Skills / Expertise / Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.

- Textile Technology
- Strategy Management



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- Business Management
- Banking and Financial Management
- Project Management
- Risk Management including Foreign Exchange Management
- Industrial Relationship Management, including Environment, Health and Safety
- Legal Knowledge
- Human Resource Management
- Tax Planning and Management
- Information Technology
- General Administration
- Industrial Engineering

The skills / expertise / competencies available with the Directors have been furnished under the individual Director's profile.



**DIRECTORS' PROFILE**

**SHRI P.R. VENKETRAMA RAJA**

Shri P.R. Venketrama Raja aged 62, has a Bachelor's Degree in Chemical Engineering from University of Madras and Masters in Business Administration from University of Michigan, USA. He has been on the Board of Rajapalayam Mills Limited since 1986. He has more than 3 decades of Industrial Experience with specific knowledge in Textiles, Cement and Information Technology sectors.

Skill / Expertise / Competency	Expert in Information Technology, Strategy Management and Business Management
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri P.R.Venketrama Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship
The Ramco Cements Limited	Chairman & Managing Director
Ramco Industries Limited	Non-Executive & Non-Independent
Ramco Systems Limited	Non-Executive & Non-Independent
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Non-Independent



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**SMT. R. SUDARSANAM**

Smt. R. Sudarsanam aged 79, has knowledge and rich experience in Textile Industry and she has been on the Board of Rajapalayam Mills Limited since 1996. She was appointed as the Managing Director of the Company on 01-07-2002.

Skill / Expertise / Competency	Business Management and General Administration.
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Other than M/s. Rajapalayam Mills Limited Smt. R. Sudarsanam does not hold Directorship in any other listed entity.

**SMT. P.V. NIRMALA RAJU**

Smt. P.V. Nirmala Raju aged 55, has a Bachelor's Degree in Computer Science Engineering from Anna University and Masters in Arts in Applied Educational Leadership & Management from University of London. She has knowledge and experience in Textile Industry for more than a decade. She has been on the Board of Rajapalayam Mills Limited since April, 2019.

Skill / Expertise / Competency	Information Technology, Strategy Management, Business Management and General Administration.
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Other than M/s. Rajapalayam Mills Limited Smt. P.V. Nirmala Raju does not hold Directorship in any other listed entity.

**SHRI S.S. RAMACHANDRA RAJA**

Shri S.S. Ramachandra Raja aged 85, has a Bachelor's Degree in science and he has been on the Board of Rajapalayam Mills Limited since 1992. He has knowledge and Experience in Textiles, Cement and Information Technology sectors.

Skill / Expertise / Competency	Business Management and General Administration
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri S.S. Ramachandra Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship
Ramco Industries Limited	Non-Executive & Non-Independent



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**SHRI N.K. RAMASUWAMI RAJA**

Shri N.K. Ramasuwami Raja, aged 77, holds a Bachelor's Degree in Science and he has been on the Board of Rajapalayam Mills Limited since 1980. He has knowledge and experience in Textiles.

Skill / Expertise / Competency	Business Management and General Administration
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Other than M/s. Rajapalayam Mills Limited Shri N.K. Ramasuwami Raja does not hold Directorship in any other listed entity.

**SHRI A.V. DHARMAKRISHNAN**

Shri A.V. Dharmakrishnan aged 64, a Chartered Accountant, started his career in 1982 at The Ramco Cements Limited. He is presently holding the position of Chief Executive Officer in M/s. The Ramco Cements Limited. He has been on Board of Rajapalayam Mills Limited since 2008. He has specialized knowledge and rich experience in Finance and Taxation matters.

Skill / Expertise / Competency	Strategy Management, Business Management, Banking and Financial Management, Risk Management including Foreign Exchange Management, Tax Planning and Management.
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri A.V. Dharmakrishnan is a Director and his category of Directorship:

Name of the Company	Category of Directorship
Ramco Systems Limited	Non-Executive & Non-Independent

**JUSTICE SHRI P.P.S. JANARTHANA RAJA**

Justice Shri P.P.S. Janarthana Raja aged 70, a graduate in Law from the Madras Law College has more than 40 years of experience in Taxation matters. He was a Honourable Justice in the High Court of Madras from December, 2005 to January, 2013. He has been on the Board of Rajapalayam Mills Limited since 2013.

Skill / Expertise / Competency	Expert Legal Knowledge, Tax Planning and Management
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Justice Shri P.P.S. Janarthana Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship
Ramco Systems Limited	Non-Executive & Independent
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Independent

**SHRI V. SANTHANARAMAN**

Shri. V. Santhanaraman aged 71 years, holds a degree in Commerce and C.A.I.I.B. He has been on the Board of Rajapalayam Mills Limited since 2013. He has more than 40 Years of experience in Banking Sector. He had held the positions of General Manager in Indian Bank from 1998 to 2006 and Executive Director in Bank of Baroda from October, 2006 to August, 2009.

Skill / Expertise / Competency	Banking & Financial Management, Risk Management including Foreign Exchange Management
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri V. Santhanaraman is a Director and his category of Directorship:

Name of the Company	Category of Directorship
Ramco Industries Limited	Non-Executive & Independent
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Independent

**SHRI K.B. NAGENDRA MURTHY**

Shri K.B. Nagendra Murthy aged 70 years, holds a Master degree in Commerce and C.A.I.I.B. He has been on the Board of Rajapalayam Mills Limited since 2014. He has more than 40 years of experience in Banking Sector. He had held the positions of General Manager in Indian Bank from 2002 to 2009 and Managing Director & CEO in Tamilnad Mercantile Bank Ltd from 2012 to 2014.

Skill / Expertise / Competency	Banking & Financial Management, Risk Management including Foreign Exchange Management
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Other than M/s. Rajapalayam Mills Limited Shri K.B. Nagendra Murthy does not hold Directorship in any other listed entity.



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**SMT. SOUNDARA KUMAR**

Smt. Soundara Kumar aged 66 years holds a degree in Science and C.A.I.I.B. She has been on the Board Rajapalayam Mills Limited since 2015. She has nearly 40 years of experience in Banking Sector. She had held the position of General Manager (Retail Banking), Chief General Manager (Small & Medium Enterprises) and Chief General Manager (Rural Business) in State Bank of India. She was the CEO of SBI (California) and CEO of SBI (Los Angeles) Agency during the years 2002 to 2004. She was appointed as the Managing Director of State Bank of Indore from 2008 to 2010.

Skill / Expertise / Competency	Banking & Financial Management, Risk Management including Foreign Exchange Management
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Smt. Soundara Kumar is a Director and her category of Directorship:

Name of the Company	Category of Directorship
Ramco Systems Limited	Non-Executive & Independent
Shanthi Gears Limited	Non-Executive & Independent
Tamil Nadu Newsprint and Papers Limited	Non-Executive & Independent
Bank of Baroda	Non-Executive & Independent
Carborundum Universal Limited	Non-Executive & Independent

**SHRI P.V. ABINAV RAMASUBRAMANIAM RAJA**

Shri P.V. Abinav Ramasubramaniam Raja aged 27, has Bachelor's degree in Science - Industrial Engineering from Northwestern University, Evanston, USA. He has been on the Board of Rajapalayam Mills Limited since 2017. He is holding the position of Managing Director in M/s. Ramco Industries Limited and Whole Time Director in M/s. Ramco Systems Limited.

Skill / Expertise / Competency	Industrial Engineering, Strategy Management, Business Management and Information Technology.
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Names of the listed entities other than M/s. Rajapalayam Mills Limited in which Shri P.V. Abinav Ramasubramaniam Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship
Ramco Industries Limited	Managing Director & Non-Independent
Ramco Systems Limited	Whole Time Director & Non-Independent



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**SHRI P.A.S. ALAGHAR RAJA**

Shri P.A.S. Alaghar Raja aged 45 years, holds a Diploma in Textile Technology. He has specialized knowledge and experience in Textile Industry for 2 decades. He has been on the Board of Rajapalayam Mills Limited since 2017. He is a Whole Time Director of M/s. Tirupathi YarnTex Spinners Private Limited.

Skill / Expertise / Competency	Textiles Technology, Business Management and General Administration
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Other than M/s. Rajapalayam Mills Limited Shri P.A.S. Alaghar Raja does not hold Directorship in any other listed entity.

The Board of Directors have confirmed at the Meeting held on 28-05-2021 that all the above Independent Directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

During the year under review, no Independent Director has resigned.

All the Independent Directors have registered themselves with the Independent Directors Data Bank, as required under Rule 6 of Companies (Appointment & Qualification of Directors) Rules, 2014. All the Independent Directors have been exempted from passing the online proficiency self-assessment test, conducted by The Indian Institute of Corporate Affairs.

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl. No.	Name of the Director, Director Identification Number (DIN) & Directorship	Board Meetings held on					Attendance at last AGM 15-09-2020
		24-06-2020	12-08-2020	09-11-2020	21-12-2020	04-02-2021	
1.	Shri P.R. Venketrama Raja Chairman DIN: 00331406, Directorship: P & NE	Yes	Yes	Yes	Yes	Yes	Yes
2.	Smt. R. Sudarsanam Managing Director DIN: 00433926, Directorship: P & E	Yes	Yes	Yes	Yes	Yes	Yes
3.	Smt. P.V. Nirmala Raju DIN No:00474960 Directorship: P & NE	Yes	Yes	Yes	Yes	Leave	Yes
4.	Shri S.S. Ramachandra Raja DIN: 00331491, Directorship: NE	Yes	Yes	Yes	Yes	Yes	Yes
5.	Shri N.K. Ramasuwami Raja DIN: 00432698, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
6.	Shri A.V. Dharmakrishnan DIN: 00693181, Directorship: NE	Yes	Yes	Yes	Yes	Yes	Yes





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Sl. No.	Name of the Director, Director Identification Number (DIN) & Directorship	Board Meetings held on					Attendance at last AGM 15-09-2020
		24-06-2020	12-08-2020	09-11-2020	21-12-2020	04-02-2021	
7.	Justice Shri P.P.S. Janarthana Raja DIN: 06702871, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
8.	Shri V. Santhana Raman DIN: 00212334, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
9.	Shri K.B. Nagendra Murthy DIN: 00359864, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
10.	Smt. Soundara Kumar DIN: 01974515, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes
11.	Shri P.V. Abinav Ramasubramaniam Raja DIN: 07273249, Directorship: P & NE	Yes	Yes	Yes	Yes	Yes	Yes
12.	Shri P.A.S. Alaghar Raja DIN: 00487312, Directorship: NE & ID	Yes	Yes	Yes	Yes	Yes	Yes

P- Promoter E - Executive NE - Non Executive ID - Independent

**Other Directorships**

The number of other Boards or Board Committees in which the Director is a Member or Chairperson as on 31-03-2021 are given below:

Sl. No.	Name of the Director	Other Directorships *	Committee Positions **	
			Chairperson	Member
1.	Shri P.R. Venketrama Raja	8	3	3
2.	Smt. R. Sudarsanam	3	-	-
3.	Smt. P.V. Nirmala Raju	1	-	-
4.	Shri S.S. Ramachandra Raja	3	-	-
5.	Shri N.K. Ramasuwami Raja	2	-	-
6.	Shri A.V. Dharmakrishnan	6	-	3
7.	Justice Shri P.P.S. Janarthana Raja	3	1	2
8.	Shri V. Santhana Raman	2	-	2
9.	Shri K.B. Nagendra Murthy	2	1	1
10.	Smt. Soundara Kumar	6	2	4
11.	Shri P.V. Abinav Ramasubramaniam Raja	3	-	1
12.	Shri P.A.S. Alaghar Raja	2	-	1

\* Public Limited Companies other than Rajapalayam Mills Limited.

\*\* Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, other than Rajapalayam Mills Limited.



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During the year, a separate meeting of the Independent Directors was held on 03-02-2021 and all the Independent Directors were present at the meeting.

**Disclosure of relationships between Directors inter-se**

Shri P.R. Venketrama Raja is son of Smt. R. Sudarsanam. Shri P.V. Abinav Ramasubramaniam Raja is son of Shri P.R. Venketrama Raja and Smt. P.V. Nirmala Raju.

**Details of familiarisation programme for Independent Directors**

The details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at <http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/familiarisation-programme-for-independent-directors-31-03-2021.pdf>

The Board of Directors periodically review Compliance Reports pertaining to all Laws applicable to the Company. No non-compliance was reported during the year under review.

The Board is also satisfied itself that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.

A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is available at the Company's website, at the following link at - <http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/nomination-and-remuneration-policy.pdf>

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

**3. AUDIT COMMITTEE**

The terms of reference of the Audit Committee include:

- i) To review the reports of Internal Audit Department;
- ii) To review the Auditors' Report on the financial statements;
- iii) To review and approve the Related Party Transactions;
- iv) To review the Annual Cost Audit Report of the Cost Auditor;
- v) To review the Annual Secretarial Audit Report of the Secretarial Auditor
- vi) To review the strength and weakness of the internal controls and to provide recommendations relating thereto;
- vii) To generally assist the Board to discharge their functions more effectively.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by SEBI (LODR) Regulations, 2015 and Companies Act, 2013.



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The composition of the Audit Committee and the details of attendance of its Members at the Audit Committee Meetings are as follows:

Sl. No.	Name of the Director	Audit Committee Meetings held on			
		24-06-2020	12-08-2020	09-11-2020	04-02-2021
1.	Justice Shri P.P.S. Janarthana Raja, Chairman of the Committee	Yes	Yes	Yes	Yes
2.	Shri N.K. Ramasuwami Raja	Yes	Yes	Yes	Yes
3.	Shri A.V. Dharmakrishnan	Yes	Yes	Yes	Yes
4.	Shri K.B. Nagendra Murthy	Yes	Yes	Yes	Yes

The Statutory Auditors, Chief Financial Officer, Chief Operating Officer and Head of Internal Audit Department are invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The representatives of the Cost Auditor and Secretarial Auditor are invited to attend the meeting of the Audit Committee when their reports are tabled for discussion.

$\frac{3}{4}$ <sup>th</sup> of the members of the Audit Committee are Independent Directors as against the minimum requirements of  $\frac{2}{3}$ <sup>rd</sup> as stipulated in Regulation 18(1) (b) of SEBI (LODR) Regulations, 2015.

**4. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and functions as mandated by the Board of Directors from time to time. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have approved a Nomination and Remuneration Policy for the Company. The Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the Company.

The complete details about the terms of reference for Nomination and Remuneration Committee and Nomination and Remuneration Policy are available at Company's website at the following link - <http://www.rajapalayammills.co.in/wpcontent/themes/ramco/pdf/nomination-and-remuneration-policy.pdf>.

The composition of the Nomination and Remuneration Committee and the details of attendance of its Members at the Nomination and Remuneration Committee Meetings are as follows:

Sl. No.	Name of the Director	NRC Meeting held on 24-06-2020
1.	Justice Shri P.P.S. Janarthana Raja, Chairman of the Committee	Yes
2.	Shri N.K. Ramasuwami Raja	Yes
3.	Shri A.V. Dharmakrishnan	Yes



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The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of re-appointment of Independent Director.

**5. REMUNERATION TO DIRECTORS**

The Directors are paid Sitting Fee of ₹ 30,000/- per Meeting for attending the meetings of the Board and Committees thereof.

There are no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company, other than those reported in related party transactions under Note no. 46(a).

The appointment and remuneration to Managing Director is governed by the Special Resolution passed by the Shareholders at the Annual General Meeting held on 14-08-2019 and the remuneration is equivalent to 5% of the Net Profits of the Company and in case of no profits or in adequate profits the minimum remuneration will be ₹ 247.50 Lakhs (inclusive of perquisites, excluding sitting fees).

The details of remuneration paid for the financial year 2020-21 are as follows:

A. REMUNERATION TO MANAGING DIRECTOR:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Smt. R. Sudarsanam Managing Director	Total Amount
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	240.00	240.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of Profit	-	-
5	Sitting Fees	1.50	1.50
6	Contribution to Provident Fund	6.00	6.00
7	Contribution to Superannuation Fund	1.50	1.50
	Total (A)	249.00	249.00
	No. of Shares held by Director as on 31-03-2021	63,760	
	Ceiling as per Act	5% of the net profits of the Company and in case, no profits or inadequacy of profits, the Managing Director shall be paid minimum yearly remuneration of ₹ 247.50 Lakhs (inclusive of perquisites). In addition the Managing Director is eligible for Sitting fees.	



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B. REMUNERATION TO OTHER DIRECTORS:

1. Independent Directors

(₹ in Lakhs)

Particulars of Remuneration	Name of the Directors						Total Amount
	Shri N.K. Ramasuwami Raja	Justice Shri P.P.S. Janarthana Raja	Shri V. Santhana Raman	Shri K.B. Nagendra Murthy	Smt. Soundara Kumar	Shri P.A.S. Alaghar Raja	
Fee for attending board / committee meetings	3.30	3.90	1.80	3.00	1.80	1.80	15.60
Commission	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total (1)</b>	<b>3.30</b>	<b>3.90</b>	<b>1.80</b>	<b>3.00</b>	<b>1.80</b>	<b>1.80</b>	<b>15.60</b>
<b>No. of Shares held by Director as on 31-03-2021</b>	<b>15,400</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>6,520</b>	

2. Other Non-Executive Director

(₹ in Lakhs)

Particulars of Remuneration	Name of the Directors					Total Amount	
	Shri P.R. Venketrama Raja	Shri A.V. Dharmakrishnan	Shri S.S. Ramachandra Raja	Smt. P.V. Nirmala Raju	Shri P.V. Abinav Ramasubramaniam Raja		
Fee for attending board / committee meetings	2.10	3.00	1.80	1.50	1.80	10.20	
Commission	-	-	-	-	-	-	
Others	-	-	-	-	-	-	
<b>Total (2)</b>	<b>2.10</b>	<b>3.00</b>	<b>1.80</b>	<b>1.50</b>	<b>1.80</b>	<b>10.20</b>	
<b>No. of Shares held by Director as on 31-03-2021</b>	<b>14,66,080</b>	<b>1,100</b>	<b>24,480</b>	<b>13,920</b>	<b>19,51,952</b>	<b>-</b>	
<b>Total B (1) + (2)</b>						<b>25.80</b>	
Overall Ceiling as per the Act	1% of the Net Profits of the Company, calculated as per Section 198 of the Companies Act, 2013.						
<b>Total Managerial Remuneration (A+B)</b>							<b>274.80</b>

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of Stakeholders Relationship Committee and the details of attendance of its members at the Stakeholders Relationship Committee meetings are as follows:

Sl. No.	Name of the Director	Stakeholders Relationship Committee Meeting held on 04-02-2021
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	Yes
2.	Smt. P.V. Nirmala Raju	Leave
3.	Shri S.S. Ramachandra Raja	Yes
4.	Justice Shri P.P.S. Janarthana Raja	Yes



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Name of Non-executive Director heading the Committee	Shri P.R. Venketrama Raja
Name and Designation of Compliance Officer	Shri A. Arulpranavam, Secretary
No. of complaints received during the year	NIL
Number not solved to the Satisfaction of shareholders	NIL
Number of pending complaints	NIL

**7. GENERAL MEETINGS**

i. Location and time, where last three AGMs held:

Year ended	Date	Time	Venue
31-03-2020	15-09-2020	10.15 A.M	Held through Video conferencing
31-03-2019	14-08-2019	10.00 A.M	P.A.C. Ramasamy Raja Centenary Community Hall, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu.
31-03-2018	10-08-2018	10.00 A.M	

ii. Details of Special Resolutions passed in the previous three Annual General Meetings

Date of the AGM	Subject Matter of the Special Resolution
15-09-2020	1. Re-appointment of Smt. Soundara Kumar as an independent Director
14-08-2019	1. Appointment of Shri S.S. Ramachandra Raja as Director, who retires by rotation and to continue the Directorship of Shri S.S. Ramachandra Raja as Non-Executive Director 2. Re-appointment of Smt. R. Sudarsanam, as Managing Director for a period of three years with effect from 01-04-2020. 3. Authority to the Board of Directors for borrowing money upto Rs.750 Crores
10-08-2018	1. Re-appointment of Shri N.K. Ramasuwami Raja as an Independent Director 2. Re-appointment of Justice Shri P.P.S. Janarthana Raja as an independent Director 3. Re-appointment of Shri V. Santhanara Raman as an Independent Director 4. Re-appointment of Shri K.B. Nagendra Murthy as an Independent Director 5. To continue the Directorship of Shri S.S. Ramachandra Raja as Non-Executive Director

iii. No Special Resolution on matters requiring Postal Ballot were passed during the period under review.

iv. No Special Resolution is proposed to be conducted through Postal Ballot as on date.

**8. MEANS OF COMMUNICATION**

The Unaudited Quarterly and Half yearly Financial results and Audited Annual Results are published in English in Business Line (All editions) and in Tamil in Dinamani (Madurai edition). The results were also displayed on the Company's website at [www.rajapalayammills.co.in](http://www.rajapalayammills.co.in). All the financial results are provided to Stock Exchange.



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9. GENERAL SHAREHOLDER INFORMATION

i.	Annual General Meeting	On 25-08-2021 at 10.00 AM. through Video Conference / Other Audio Visual means.
ii.	Financial Year	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021.
iii.	Dividend Payment date	25-08-2021 onwards.
iv.	Name and address of Stock exchange at which the Company's Shares are listed	The Company's shares are listed in BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Company has paid Annual listing fee to the Stock Exchange for the financial year 2021-22.
v.	Stock Code - BSE Limited	532503
vi.	Market Price Data	Enclosed as Annexure - A
vii.	Performance in comparison to broad based indices	
viii.	Whether the securities are suspended from trading	No
ix.	Registrar and Transfer Agents	Being carried out in-house by the Secretarial Department of the Company.
x.	Share Transfer System	For shares held in electronic mode, transfers are effected under the depository system of NSDL and CDSL. For shares held in physical mode, the transfers have been effected in-house till 31-03-2019. Vide Press Release No: 49/2018 dated 03-12-2018 of SEBI, only transmission or transposition of securities are eligible for processing in physical form with effect from 01-04-2019.
xi.	Distribution of Shareholding	Enclosed as Annexure - B.
xii.	Dematerialisation of Shares & liquidity	As on 31 <sup>st</sup> March, 2021, 92.88% of the shares have been dematerialized. Regarding liquidity of our Company's shares, the details are available in Annexure - A.
xiii.	Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	NIL



ANNEXURE V TO DIRECTORS' REPORT

xiv.	Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	With respect to future payment commitment in foreign currencies, forward contracts are booked taking in to account, the cost of hedging and the foreign currency receivables. The currency rate movements are monitored closely for taking covers with respect to unhedged portions, if any.
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xv. Plant Locations

Textile Division:

- a. Rajapalayam Mills (A, B and C Units)  
Post Box No.1, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 117, Tamil Nadu.
- b. Rajapalaiyam Spintext,  
P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 117, Tamil Nadu.
- c. Rajapalaiyam Textiles,  
Perumalpatti Village - 627 753, Tirunelveil District, Tamil Nadu.
- d. Rajapalayam Mills - D Unit  
Andalpuram, K.R. Nagar Post, Rajapalayam - 626 108, Tamil Nadu.
- e. Rajapalayam Mills - Fabric Unit,  
P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 117, Tamil Nadu.

Wind Farm Division:

Dhanakkarkulam, Irukkanthurai, Uthumalai, Aralvoimozhy, Chinnaputhur, Kolumakondan, Melkaraipatti, Muthunayakkanpatti in Tamil Nadu.

xvi. Address of Registered Office for Correspondence for shareholder enquiries

A. Arulpranavam,  
Secretary (Compliance Officer),  
Rajapalayam Mills Limited,  
Rajapalayam Mills Premises,  
Post Box No.1, P.A.C. Ramasamy Raja Salai, Rajapalaiyam - 626 117, Tamil Nadu.  
Phone: 04563-235666; Fax : 04563-236520  
E-mail: [rajacot@ramcotex.com](mailto:rajacot@ramcotex.com)





ANNEXURE V TO DIRECTORS' REPORT

xvii. Credit Rating

CRISIL, the Company's credit rating agency vide its letter dated 29-04-2020 has rated our borrowing programmes as follows:

Debt Instruments	Amount ₹ in Crores	Rating
Long Term Ratings (Cash Credit / Long Term Loan / Proposed Long Term Bank Loan Facility / Proposed Term Loan / Working Capital Demand Loan / Working Capital Loan / Working Capital Term Loan)	819.46	A (Negative)
Short Term Ratings (Foreign Exchange Forward, Letter of Credit & Bank Guarantee)	43.00	A1
<b>Total</b>	<b>862.46</b>	

There had been no revision in the ratings during the year.

10. OTHER DISCLOSURES

- i. There are no materially significant related party transactions made by the Company that may have potential conflict with the interests of the Company at large.
- ii. There are no instances of non-compliance by the Company, and no penalties or strictures were imposed on the company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
- iii. The Company has a Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee. The policy is available at the following weblink - <http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/whistle-blower-policy-for-establishing-vigil-mechanism.pdf>
- iv. The Company has complied with the Mandatory requirements of Corporate Governance stipulated under SEBI (LODR) Regulations, 2015. The status of adoption of the Non-Mandatory requirements are given below:
  - a. The Company's financial statements are with unmodified opinion for the year 2020-21.
- v. The Company has no Subsidiary. Hence, disclosure about "Material Subsidiary Policy" is not applicable.
- vi. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is - <http://www.rajapalayammills.co.in/wp-content/themes/ramco/pdf/related-party-transaction-policy.pdf>
- vii. The details relating to commodity price risks and commodity hedging activities are not applicable.
- viii. The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement.



ANNEXURE V TO DIRECTORS' REPORT

- ix. M.R.L. Narasimha, Practicing Company Secretary, have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority (Annexure - VI A).
- x. There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.
- xi. The total fees for all the services paid by the Company on a consolidated basis to the Statutory Auditor is ₹ 12.24 lakhs.

No other entity in the network firm or network entity of which the Statutory Auditor is a part has been hired for any services by the Company.

- xii. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Pursuant to Rule 8(5)(x) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a.	Number of complaints filed during the financial year	NIL
b.	Number of complaints disposed of during the financial year	NIL
c.	Number of complaints pending as on end of the financial year	NIL

11. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015.
12. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted, is given against Clause 10(iv) above.
13. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of SEBI (LODR) Regulations, 2015.

As required under Regulation 46(2)(b) to (i) of SEBI (LODR) Regulations, 2015, the following information have been duly disseminated in the Company's website.

- Terms and conditions of appointment of Independent Directors.
- Composition of various committees of Board of Directors.
- Code of Conduct of Board of Directors and Senior Management Personnel.
- Details of establishment of Vigil Mechanism/Whistle Blower Policy.
- Criteria of making payments to Non-Executive Directors.
- Policy on dealing with Related Party Transactions.
- Details of familiarization Programme imparted to Independent Directors.



ANNEXURE V TO DIRECTORS' REPORT

14. Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.
15. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchange, in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.
16. The various disclosures made in the Directors' Report, may be considered as disclosures made under this report.
17. The Company also have the following Committees of the Board of Directors:
  - i) The Composition of the Corporate Social Responsibility Committee and the details of the attendance of its members at Corporate Social Responsibility Committee meeting are as follows:

Sl. No.	Name of the Director	CSR Meeting held on 24-06-2020
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	Yes
2.	Smt. P.V. Nirmala Raju, Member	Yes
3.	Justice Shri P.P.S. Janarthana Raja	Yes
4.	Shri P.V. Abinav Ramasubramaniam Raja	Yes

- ii) The Composition of Rights Issue Committee and the details of the attendance of its members at Rights Issue Committee Meeting are as follows:

Sl. No.	Name of the Director	RIC Meeting held on 15-02-2021	RIC Meeting held on 27-02-2021
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	Yes	Yes
2.	Justice Shri P.P.S. Janarthana Raja	Yes	Yes
3.	Shri A.V. Dharmakrishnan	Yes	Yes
4.	Shri P.A.S. Alaghar Raja	Yes	Yes

iii) **Risk Management Committee**

The terms of reference of the Risk Management Committee include:

1. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.



ANNEXURE V TO DIRECTORS' REPORT

- b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
  3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
  4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
  5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
  6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The composition of Risk Management Committee are as follows:

Sl. No.	Name of the Director
1.	Shri P.R. Venketrama Raja, Chairman of the Committee
2.	Justice Shri P.P.S. Janarthana Raja
3.	Shri A.V. Dharmakrishnan
4.	Shri P.V. Abinav Ramsubramaniam Raja

The Board of Directors constituted Risk Management Committee at its meeting held on 28-05-2021 and no Risk Management Committee meeting has been held during the year under review.

**18. DISCLOSURES WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT**

*[Pursuant to Schedule V (F) of SEBI (LODR) Regulations, 2015]*

There were 5,220 Shares of ₹ 10/- each belonging to 24 Shareholders at the beginning of the year lying at the "Rajapalayam Mills Limited Unclaimed Suspense Account" in dematerialised form. In accordance with Section 124(6) of the Companies Act, 2013, the Company has transferred 170 Shares which belongs to 3 Shareholders, who have not claimed dividend for



**ANNEXURE V TO DIRECTORS' REPORT**

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7 consecutive years, from Rajapalayam Mills Limited Unclaimed Suspense Account to Investor Education and Protection Fund (IEPF). 5,050 Shares belonging to 21 Shareholders are lying with unclaimed suspense account as on 31-03-2021. The voting rights of these Shares shall remain frozen till the rightful owner of such Shares claims the Shares.

19. Declaration signed by the Managing Director of the Company as per Schedule V (D) of SEBI (LODR) Regulations, 2015 on compliance with the Code of Conduct is Annexed.
20. Compliance Certificate as per Regulations 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015 provided by Managing Director and Chief Financial Officer is Annexed.

By Order of the Board,  
**For RAJAPALAYAM MILLS LIMITED,**

**P.R. VENKETRAMA RAJA**  
**CHAIRMAN**

RAJAPALAIYAM,  
28<sup>th</sup> May, 2021.



As provided under Schedule V (D) of the SEBI (LODR) Regulations, 2015 the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31<sup>st</sup> March, 2021.

**For RAJAPALAYAM MILLS LIMITED,**

**Smt. R. SUDARSANAM**  
**MANAGING DIRECTOR**

RAJAPALAIYAM,  
28<sup>th</sup> May, 2021.