

# CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2019 in terms of Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The Listing Regulations") as amended from time to time.

## COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The fundamental principle of Corporate Governance is achieving sustained growth legally and ethically and in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

Your Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. As a good corporate citizen, your Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

## BOARD OF DIRECTORS

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (hereinafter referred to as "Act"). The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. As on 31<sup>st</sup> March, 2019, the Company has seven Directors. Out of the seven Directors, three are Promoters and Executive Directors and four Independent and Non-Executive Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

## COMPOSITION

Composition of the Board of Directors of the Company as on 31<sup>st</sup> March, 2019 was as under with details of other directorships and committee chairmanship and memberships:-

Name	Category of Director	No. of other Directorship and Committee Chairmanship and Memberships in other Public Company			List of Directorship held in Other Listed Companies and Category of Directorship
		Other Directorships	Chairman of the Committee	Member of the Committee	
Shri R.P. Soni (DIN: 00401439)	Promoter/ Chairman/ Executive	5	Nil	Nil	Nil
Shri S.N. Modani (DIN: 00401498)	Promoter/ Executive	Nil	Nil	Nil	Nil
Shri V.K. Sodani (DIN: 00403740)	Promoter/ Executive	3	Nil	2	Suchitra Finance & Trading Co Ltd
Shri Ramawatar Jaju (DIN: 00083218)	Independent	1	Nil	Nil	Nil



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Name	Category of Director	No. of other Directorship and Committee Chairmanship and Memberships in other Public Company			List of Directorship held in Other Listed Companies and Category of Directorship
		Other Directorships	Chairman of the Committee	Member of the Committee	
Shri Achintya Karati (DIN: 00024412)	Independent	7	2	4	1. J.K. Cement Limited (Independent Director) 2. Jay Bharat Maruti Ltd. (Independent Director) 3. Delton Cables Ltd. (Independent Director) 4. Shyam Telecom Ltd. (Independent Director) 5. Uflex Ltd (Independent Director)
Shri T.K. Mukhopadhyay (DIN: 00239251)	Independent	1	Nil	Nil	Nil
Ms. Seema Srivastava (DIN: 07142986)	Independent	Nil	Nil	Nil	Nil

**Notes:**

- Other Company directorship excluding, foreign companies and companies under Section 8 of the Act, alternate directorship and trust.
- Only Audit Committee and Stakeholders Relationship Committee have been considered as per Regulation 26 of the Listing Regulations.
- Shri S.N. Modani, Shri V.K. Sodani and Shri R.P. Soni are related to each other. Shri S.N. Modani and Shri V.K. Sodani are the Sons in Law of Shri R.P. Soni. No other Director is related to any other Director on the

## Board.

- In terms of Regulation 25(1) of the Listing Regulations, out of the reported 7 public companies, Shri Achintya Karati holds the position of Independent Director in 6 listed companies (including Sangam (India) Limited).
- None of the Directors hold the office of director in more than the permissible number of companies under the Act, or Regulation 25 and 26 of the Listing Regulations.
- None of the Non-Executive Directors hold Shares and Convertible Instruments as on 31<sup>st</sup> March, 2019.

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## BOARD MEETING

The Board meets at regular intervals to discuss and decide on various business decisions, strategies, policies and review the performance of the Company and its subsidiary. The Board has also constituted committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the directors well in advance to facilitate the directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. The Company also provides Video Conference facility, if required, for participation of the Directors at the Board/Committee.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Four meetings of the Board were held during the Financial year 2018-19 on 30<sup>th</sup> May, 2018, 9<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and on 13<sup>th</sup> February, 2019. The last Annual General Meeting was held on 29<sup>th</sup> September, 2018.

Attendance at Board meetings during the year and last Annual General Meeting:-

S.No.	Name of Director	No. of Board Meetings attended	Whether attended Last AGM
1	Shri R.P. Soni	Four	Yes
2	Shri S.N. Modani	Four	Yes
3	Shri V.K. Sodani	Four	Yes
4	Shri Ramawatar Jaju	One	No
5	Shri Achintya Karati	Four	Yes
6	Shri T.K. Mukhopadhyay	Four	No
7	Ms. Seema Srivastava	One	No

## APPOINTMENT AND MEETING OF INDEPENDENT DIRECTORS

Terms and Conditions of Independent Director's appointment are available on the website of the Company's at the weblink: <http://www.sangamgroup.com/financials/Policies/Conditions.pdf>

During the financial year 2018-19, the Independent Directors met on 30<sup>th</sup> May, 2018. The meeting was held without the presence of Executive Directors or management personnel of the Company. Such meetings were conducted to enable Independent Directors to

discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV to the Act. The Independent Directors take appropriate steps to present their views to the Chairman.

## INDEPENDENT DIRECTORS CONFIRMATION BY THE BOARD

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and are independent of the management.

## THE LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED IN THE CONTEXT OF ITS BUSINESS AND SECTOR(S) FOR IT TO FUNCTION EFFECTIVELY AND THOSE ACTUALLY AVAILABLE WITH THE BOARD

- i) Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates,
- ii) Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,
- iii) Strategic thinking and decision making,
- iv) Financial Skills,
- v) Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business.

## FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. Further, in accordance with the requirements of Listing Regulations, the Company also organizes Familiarization programme for the Independent Directors to enlighten them about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

During the year, the Independent Directors visited the Spinning plant at Village Soniyana, Tehsil Gangrar, Dist. Chittorgarh. The Independent Directors were taken through various aspects of the Company's business and



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operations. The details of familiarization programmes imparted to Independent Directors are available on the Company's website, viz <http://www.sangamgroup.com/financials/Policies/FP%20Policy.pdf>

## CEO/CFO CERTIFICATION

The Managing Director & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report

## CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company has in place a comprehensive Code of Conduct applicable to the Directors and Senior Management. The Code is also applicable to Non-Executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The duties of Independent Directors as laid down in the Act, is incorporated in the Code. The Code gives guidance needed for ethical conduct of business and compliance of law. All Board Members and designated senior management personnel have affirmed compliance with this code of conduct. The code of conduct is available on the website of the Company at the weblink: <http://www.sangamgroup.com/financials/Policies/Code%20Conduct%20for%20Directors.pdf>

A declaration in this regard, signed by the Managing Director of the Company is published in this report.

## INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code"). All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. This Code is available on the website of the Company's at the weblink:<http://www.sangamgroup.com/financials/Policies/Code%20of%20Conduct%20for%20Insider%20Trading.pdf> The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

## COMMITTEES OF THE BOARD

The Board of Director has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board. The

terms of reference of the Board Committee are governed by the Board from time to time. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are placed before the Board for noting. The Board currently has the following Committees:

### (A) AUDIT COMMITTEE

#### Constitution

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

The Chairman of the Committee is Shri Achintya Karati, an Independent & Non-Executive Director. Invitees to the Audit Committee include Managing Director & CEO, Chief Financial Officer, Statutory Auditors and Internal Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

#### Meeting

The details of meetings held during the year, and the attendance thereat, are as follows:

Date of meetings - four meetings of the Audit Committee were held during the financial year 2018-19 on 30.05.2018, 09.08.2018, 14.11.2018 and on 13.02.2019.

#### Composition and Attendance

The Composition and Attendance of the Audit Committee as on 31<sup>st</sup> March, 2019 was as follows:

Name of Director	Position	Category	No. of Meeting Attended
Shri Achintya Karati	Chairman	Independent Director	Four
Shri T.K. Mukhopadhyay	Member	Independent Director	Four
Shri R.P. Soni	Member	Executive Director	Four

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## Role of Audit Committee:

- (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) Re-commendation 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 Act;
  - (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 utilization of proceeds of a public or rights issue, 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;
- (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 auditor's 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.

## Review of information by Audit Committee

The Audit Committee reviews the following information:



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1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee
6. 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 the 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(7) of the Listing Regulations.

## (B) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted as per provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

### Meeting

Two meeting of Nomination and Remuneration Committee was held during the year on 09.08.2018 and 14.11.2018.

### Composition and Attendance

The Composition and Attendance of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2019 was as follows:

Name of Director	Position	Category	No. of Meeting Attended
Shri Achintya Karati	Chairman	Independent Director	Two
Shri T.K. Mukhopadhyay	Member	Independent Director	Two
Shri Ramawatar Jaju	Member	Independent Director	Nil
Shri R.P. Soni	Member	Executive Director	Two

The Nomination and Remuneration Committee is responsible for:

- (i) 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;
- (ii) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (iii) Devising a policy on Board diversity;
- (iv) 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 and evaluation of Director's performance;
- (v) Determining 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
- (vi) Recommend to the board all remuneration, in whatever form, payable to senior management

## REMUNERATION OF MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND KMP

The Committee while considering the remuneration of the Managing Director, the Whole Time Director and KMP, may take into consideration the performance of the Company, the experience of the person, his background, job-profile and suitability, his past remuneration, the comparative remuneration profile in the industry, size of the Company, responsibilities shouldered by the Managing Director / Whole Time Director etc., provided that any remuneration considered by the Committee shall be in accordance and within the limits stipulated under the Companies Act, 2013.

## REMUNERATION OF NON-EXECUTIVE DIRECTOR

The Independent Directors of the Company shall be entitled to remuneration restricted to the sitting fees for attending meetings of the Board of the Directors and meeting of the Audit Committees, stake holders relationship committees, nomination and remuneration committees provided that any sitting fees paid to the Independent Director shall not be less the sitting fees paid to nonexecutive directors. Any incidental expense incurred by the directors with relation to the participation in the meetings of the Board and the Audit Committee shall be reimbursed.

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Details of Remuneration Paid or Payable to Directors for 2018-19

(₹ in Lakhs)

Name of Director	Sitting fees	Salary	Perquisites and allowances	Commission	Others
Shri Ram Pal Soni	-	196.69	5.34	26.89	18.12
Shri S.N. Modani	-	109.94	11.04	26.89	10.06
Shri V.K. Sodani	-	50.62	17.03	6.72	5.47
Shri Achintya Karati	4.50	-	-	-	-
Shri T.K. Mukhopadhyay	3.60	-	-	-	-
Shri Ramawatar Jaju	0.60	-	-	-	-
Ms. Seema Srivastava	0.50	-	-	-	-

## Notes:

- The Company has not introduced any stock options for its directors/employees.
- Notice period for termination of appointment of Managing Director and other Whole-time Directors is three month on either side.
- No severance fees is payable on termination of appointment.

## PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. The performance evaluation of the Chairman, Managing Director and Executive Director and the Non Independent Directors was carried out by the Independent Directors. The evaluation of performance of Independent Director is based on the criteria laid down in the Remuneration policy. Your Directors feel pleasure in informing the members that the performance of the Board as a whole and its members individually was adjudged satisfactory.

## (C) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee have been constituted as per provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

### Meeting

The details of meetings held during the year, and the attendance thereat, are as follows:

Date of meetings - four meetings of the Stakeholders' Relationship Committee of Board of the Company were held during the financial year 2018-19 on 30.05.2018, 09.08.2018, 14.11.2018 and 13.02.2019.

### Composition and Attendance

The Composition of Stakeholders' Relationship Committee as on 31st March 2019 was as follows:

Name of Director	Position	Category	No. of Meeting Attended
Shri Achintya Karati	Chairman	Independent Director	Four
Shri Ramawatar Jaju	Member	Independent Director	One
Shri R.P. Soni	Member	Executive Director	Four

Shri A.K. Jain Company Secretary is the Compliance Officer of the Company.

The main function of the Stakeholders' Relationship Committee is to strengthen the investor relations. The Committee looks into redressal of shareholders' complaints and proper and timely attendance on the investors' grievances. The terms of reference of the Stakeholders' Relationship Committee of the Company include the following:

- Consider and resolve grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends; and
- Carrying out any other function as prescribed under the SEBI (LODR) Regulations, 2015.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Bigshare Services Pvt. Ltd. attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

During the year, 6 complaint letters were received from investors directly/RTA or through SEBI or Stock Exchange(s) and were dealt with satisfactorily. All complaints received from the investors were general in nature, which were resolved to the satisfaction of the shareholders within the stipulated time



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## (D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors has constituted Corporate Social Responsibility Committee as required under Section 135 of the Act. The role of the Committee is to formulate and recommend to the Board, a corporate social responsibility policy, recommend the amount of expenditure to be incurred on activities and monitor CSR Policy.

### Meeting

The details of meetings held during the year, and the attendance thereat, are as follows:

Date of meetings – Four meetings of the CSR Committee of Board of the Company were held during the financial year 2018-19 on 30.05.2018, 09.08.2018, 14.11.2018 and on 13.02.2019.

### Composition and Attendance

The composition and Attendance of Corporate Social Responsibility Committee as on 31<sup>st</sup> March, 2019 was as follows:

Name of Director	Position	Category	No. of Meeting Attended
Shri R.P. Soni	Chairman	Executive Director	Four
Shri S.N. Modani	Member	Managing Director & CEO	Four
Shri Ramawatar Jaju	Member	Independent Director	One

The Company formulated CSR Policy, which is uploaded on the website of the Company at the weblink: <http://www.sangamgroup.com/financials/Policies/CSR%20Policy.pdf>

## GENERAL BODY MEETINGS

### General Meeting

(a) Details of location and time of holding the last three Annual General Meeting:

General Body Meeting	Day, Date	Time	Venue	Detail of Special Resolution passed
30 <sup>th</sup> AGM-2016	Friday, 30 <sup>th</sup> September, 2016	4.00 P.M.	"Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan)	- Ratification of continuation of Shri R.P. Soni as Whole time Director designated as Chairman after attaining age of 70 years
31 <sup>st</sup> AGM-2017	Friday, 29 <sup>th</sup> September, 2017	4.00 P.M.	"Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan)	- Re-appointment of Shri V.K. Sodani as Whole time Director, designated as Executive Director of the Company for a period of 5 years effective from 1 <sup>st</sup> October, 2017. - Revision in terms of remuneration of Shri Anurag Soni, to hold an office or place of profit of the Company. - Appointment of Shri Pranal Modani, to hold an office or place of profit in the Company.
32 <sup>nd</sup> AGM-2018	Saturday, 29 <sup>th</sup> September, 2018	3.30 P.M.	"Sangam House", Atun, Chittorgarh Road, Bhilwara-311001 (Rajasthan)	- Re-appointment of Shri R.P. Soni as Whole time Director, designated as Chairman of the Company for a period of 3 years effective from 1 <sup>st</sup> September, 2018.

(b) Whether any special resolution passed last year through postal ballot – details of voting pattern - No special resolutions were passed through postal ballot last year.

(c) Person who conducted the postal ballot exercise: NA

(d) Whether any special resolution is proposed to be conducted through postal ballot- At present there is no proposal to pass any special resolution through postal ballot.

(e) Procedure for postal ballot - Does not arise



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## MEANS OF COMMUNICATION

- (I) The Unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited financial results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- (II) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local newspaper, within forty-eight hours of approval thereof.
- (III) The Company's financial result is displayed on the Company's Website- [www.sangamgroup.com](http://www.sangamgroup.com)
- (IV) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- (V) A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

### BSE Listing Centre

BSE Limited has launched an Online Portal - BSE Corporate Compliance & Listing Centre (the "Listing Centre") for submission of various filings by listed companies. All disclosures and periodic filings submitted to the BSE are also uploaded on the Listing Centre.

### NSE Electronic Application Processing System (NEAPS)

The Company also files information through NEAPS – a web based application provided by NSE which facilitates online filing of Corporate Governance Report, the Shareholding Pattern by companies, Results and other disclosures.

### Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated 7<sup>th</sup> June,

2011, had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

### Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA.

### SEBI Complaints Redress System (SCORES)

A centralized web-based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

### Annual Report

The Annual Report containing inter alia the Audited Financial Statements, Board's Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and Analysis is forms part of the Annual Report. Pursuant to the Green Initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same.

The Annual Reports is also available in the Investor Relations section on the Company's website [www.sangamgroup.com](http://www.sangamgroup.com)

### Green Initiative

In support of the "Green Initiative" undertaken by Ministry of Corporate Affairs, the Company had during the financial year 2018-19 sent various communications by email to those members, whose email addresses were registered with the Depositories or the Registrar and Transfer Agents. Physical copies sent to only those members whose email addresses were not available.

In view of the Listing Regulations with the Stock Exchanges, the Company has emailed soft copies of its Annual Report to all those shareholders who have registered their email address for the said purpose. We would greatly appreciate and encourage more members to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company to receive soft copies of the Annual Report, Notices and other information disseminated by the Company on a real-time basis without any delay.



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## GENERAL SHAREHOLDER INFORMATION

<b>A.</b>	<b>33<sup>rd</sup> Annual General Meeting</b>	
	- Date and Time	Monday, 30 <sup>th</sup> September, 2019 at 04.00 p.m.
	- Venue	Atun, Chittorgarh Road, Bhilwara-311001 (Raj.)
<b>B</b>	<b>Tentative Financial Calendar</b>	
	- Unaudited results for the quarter ending June 2019	14 <sup>th</sup> August, 2019
	- Un-audited results for the quarter/half year ending September 2019	14 <sup>th</sup> November, 2019
	- Un-audited results for the quarter ending December 2019	14 <sup>th</sup> February, 2020
	- Audited results for the year ending March, 2020	30 <sup>th</sup> May, 2020
<b>C</b>	<b>Book closure date</b>	23.09.2019 to 30.09.2019 (both days inclusive)
<b>D</b>	<b>Dividend payment dates</b>	Within 30 days from date of AGM
<b>E</b>	<b>The listing fee has been paid up to date, to the Stock Exchanges.</b>	Yes
	<b>Bombay Stock Exchange Ltd. (BSE)</b>	P. J. Towers, Dalal Street, Mumbai-400 001
	i. Scrip code	514234
	ii. Trading symbol	SANGAMIND
	<b>National Stock Exchange of India Ltd. (NSE)</b>	Exchange Plaza, Block G, C1, Bandra Kurla Complex, Bandra East, Mumbai-400 051
	Trading symbol	SANGAMIND
<b>F</b>	<b>Demat ISIN Numbers in NSDL &amp; CDSL</b>	INE495C01010

## Credit Rating

The following is the credit rating obtained by the Company during the financial year 2018-19

Instruments Details	Rating
Long-Term Issuer Rating	IND A
Long-Term Bank Facilities	IND A
Short-Term Bank Facilities	IND A1

## Dividend

The Board of Directors at their meeting held on 28<sup>th</sup> May, 2019, have recommended a Dividend of ₹ 1/- per share for the year ended 31<sup>st</sup> March, 2019, subject to shareholders' approval at the forthcoming 33<sup>rd</sup> Annual General Meeting. If approved, the dividend will be paid to the shareholders within 30 days from the date of Annual General Meeting. The Company will continue to use NECS/ECS or any other electronic mode for payment of dividend to the shareholders located in places where in such facilities/system is in existence.

## Unclaimed/Unpaid Dividend

The unclaimed dividend for a period of seven years is compulsorily deposited in Investor Education and Protection Fund (IEPF) Account in accordance with Section 125 of the Act administered by the Central Government which can be claimed by the Shareholders/Investors. The details of unclaimed dividend are posted on the website of the Company.

## Stock Market Data

The reported high and low prices of equity shares of Sangam (India) Limited traded during Financial Year 2018-19 on BSE and NSE are set out in the following table:

Month	Bombay Stock Exchange Ltd. (BSE)				National Stock Exchange of India Ltd. (NSE)			
	Share Price		Sensex		Share Price		S&P CNX NIFTY	
	High	Low	High	Low	High	Low	High	Low
April, 2018	141.85	120.05	35213.30	32972.56	142.00	121.30	10759.00	10111.30
May, 2018	141.40	102.00	35993.53	34302.89	141.75	102.00	10929.20	10417.80
June, 2018	114.20	77.80	35877.41	34784.68	115.00	76.95	10893.25	10550.90
July, 2018	99.80	67.00	37644.59	35106.57	100.00	67.00	11366.00	10604.65
August, 2018	96.00	79.25	38989.65	37128.99	96.45	79.25	11760.20	11234.95
September, 2018	85.95	60.20	38934.35	35985.63	85.50	59.15	11751.80	10850.30
October, 2018	70.95	54.00	36616.64	33291.58	72.00	53.40	11035.65	10004.55

# CORPORATE GOVERNANCE REPORT (Contd.)

Month	Bombay Stock Exchange Ltd. (BSE)				National Stock Exchange of India Ltd. (NSE)			
	Share Price		Sensex		Share Price		S&P CNX NIFTY	
	High	Low	High	Low	High	Low	High	Low
November, 2018	87.50	67.00	36389.22	34303.38	88.25	66.20	10922.45	10341.90
December, 2018	78.00	66.10	36554.99	34426.29	79.95	64.10	10985.15	10333.85
January, 2019	82.90	58.35	36701.03	35375.51	84.60	58.35	10987.45	10583.65
February, 2019	65.05	53.70	37172.18	35287.16	66.00	53.40	11118.10	10585.65
March, 2019	72.65	56.50	38748.54	35926.94	72.85	56.45	11630.35	10817.00

## Share Transfer System

The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. Share in physical mode, which are lodged for transfer are processed and returned to the shareholders within the stipulated time. In compliance with the listing guidelines, every six months the share transfer system is audited by a practicing Company Secretary and a certificate to that effect is issued by him.

### (i) Distribution of Shareholding as on 31<sup>st</sup> March, 2019

Category Range – Shares	Shareholders		Shareholding	
	Number	Percentage	Number of Shares	Percentage
Up to 500	7129	87.22	947521	2.40
501-1000	508	6.21	418141	1.07
1001-2000	224	2.74	347861	0.88
2001-3000	98	1.20	252360	0.64
3001-4000	54	0.67	197912	0.50
4001-5000	38	0.46	176809	0.45
5001-10,000	45	0.55	335158	0.85
10,001 and above	78	0.95	36745797	93.21
<b>TOTAL</b>	<b>8174</b>	<b>100.00</b>	<b>39421559</b>	<b>100.00</b>

### (ii) Shareholding Pattern as on 31<sup>st</sup> March, 2019

Category	No. of Shares held	% of Shareholding
<b>Promoters holding</b>		
(a) Individual Promoters	4234433	10.74
(b) Persons acting in Concerts	15497693	39.31
Others		
Mutual Funds and UTI	-	-
Banks, Financial Institution, Insurance Companies, NBFCs registered with RBI (Central/State Govt. Institutions/ Non Govt. Institutions)	1058471	2.68
Foreign Portfolio Investors	2117005	5.37
Foreign Institutional Investors (FIIs)	3000	0.01
Private Corporate Bodies	11963917	30.35
Indian Public	2928861	7.43
NRI's / OCBs	1486702	3.77
Clearing Members	65110	0.17
Investor Education and Protection Fund (IEPF)	66367	0.17
<b>Total</b>	<b>39421559</b>	<b>100.00</b>

## Dematerialization of shares and liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the shareholders should open a demat account with a Depository Participant (DP). The shareholder is required to fill in a Demat Request Form and submit the same along with the original share certificates to his DP. The DP will allocate a demat request number and shall forward the request physically and electronically through NSDL/CDSL to Registrar & Transfer Agent. On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized, and an electronic credit of the shares is given in the account of the shareholder. Shares of the Company are traded in electronic form. About 99.65% of the shares holdings have already been dematerialized. Shares of the Company are actively traded in BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and have reasonably good liquidity.



# CORPORATE GOVERNANCE REPORT (Contd.)

## Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

As on date, there are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

## Commodity Risk or Foreign Exchange Risk and Hedging activities

Disclosure on risks are forming part of this Annual Report during the period under review

## Office and Works

Registered Office

Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.) Ph.: +91 1482 245428

E-mail: [secretarial@sangamgroup.com](mailto:secretarial@sangamgroup.com) website: [www.sangamgroup.com](http://www.sangamgroup.com)

## Plant Location

Spinning

**Unit - I :** Vill. Biliya Kalan, Chittorgarh Road, Bhilwara - 311 001 (Raj.)

**Unit - II :** 91 K.M. Stone, N.H.-79, Vill. Sareri, Dist. Bhilwara - 311 024 (Raj.)

**Unit - III :** Village Soniyana, Tehsil Gangrar, Distt. Chittorgarh 312901 (Raj.)

## Weaving, Processing and Seamless Garments

Vill. Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.)

## Denim

Vill. Biliya Kalan, Chittorgarh Road, Bhilwara - 311 001 (Raj.)

## Registrar and Share Transfer Agent

Bigshare Services Private Limited,  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (East) Mumbai 400059  
Fax No.: 022 62638299, Tel. No.: 022 62638200  
E-mail: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

## Address for Correspondence

All matters relating to Dividend, Annual Reports and other related matters

## Company Secretary

Sangam (India) Limited

Atun, Chittorgarh Road, Bhilwara - 311 001 (Raj.) Ph.: +91 1482-245428

Fax: +91 1482 245450 email: [secretarial@sangamgroup.com](mailto:secretarial@sangamgroup.com)

Website: [www.sangamgroup.com](http://www.sangamgroup.com)

## OTHER DISCLOSURE

### Related Party Transaction:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The policy is available on website of the Company at the weblink: <http://www.sangamgroup.com/financials/Policies/RPT%20Policy.pdf>

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

### Statutory Compliance, Penalties and Strictures:

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years.

### Vigil Policy (Whistle Blower Policy):

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. A copy of policy is also uploaded on the website of the Company at the weblink: <http://www.sangamgroup.com/financials/Policies/Whistle%20Blower%20Policy.pdf>

### Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant

# CORPORATE GOVERNANCE REPORT (Contd.)

accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**Details of Compliance with Mandatory Requirements:**

The Company has complied with all mandatory requirements laid down under the Listing Regulation.

A certificate from a Company Secretary in practice that none of the directors on the board 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.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Details relating to fees paid to the Statutory Auditors are given in Note 32 (b) to the Standalone Financial Statements and Note 33(b) to the Consolidated Financial Statements.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed and disposed of during the year and pending as on 31<sup>st</sup> March, 2019 is given in the Directors' report.

**DECLARATION BY THE CEO UNDER REGULATION 26(3) READ WITH PARA D OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT**

Pursuant to sub-regulation (3) of Regulation 26 read with Para D of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management personnel of the Company have affirmed compliance to their respective Code of Conduct, as applicable to them for the Financial Year ended 31<sup>st</sup> March, 2019.

Place: Bhilwara  
Date: 12<sup>th</sup> July, 2019

**S.N. Modani**  
(Managing Director & CEO)  
DIN: 00401498



# CORPORATE GOVERNANCE REPORT (Contd.)

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**Sangam (India) Limited**  
Atun Chittorgarh Road  
Bhilwara-311001 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sangam (India) Limited having CIN: L17118RJ1984PLC003173 and having registered office at Atun Chittorgarh Road, Bhilwara-311001 (Rajasthan) (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No	Name of the Director	DIN
1	Shri Ram Pal Soni	00401439
2	Shri S.N. Modani	00401498
3	Shri Vinod Kumar Sodani	00403740
4	Shri Achintya Karati	00024412
5	Shri Ram Awatar Jaju	00083218
6	Ms. Seema Srivastava	07142986
7	Shri Tapan Kumar Mukhopadhyay	00239251

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. M. & Associates  
Company Secretaries  
ICSI Unique Code P1984RJ039200)

**CS Manoj Maheshwari**

Partner

FCS 3355

C P No.: 1971

Place: Jaipur  
Date: 12<sup>th</sup> July, 2019