



Value through values

SANGAM (INDIA) LIMITED

REGD. OFF: ATUN, CHITTORGARH ROAD, BHILWARA – 311 001 (RAJ.)

Ph.: 01482-305000, Fax: 01482-304120

CIN: L17118RJ1984PLC003173

Email: secretarial@sangamgroup.com, website: www.sangamgroup.com

Policy For Determining Material Subsidiaries

INTRODUCTION

Securities and Exchange Board of India has on September, 02 2015, notified comprehensive Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”) replacing the existing Listing Agreement.

The Board of Directors of Sangam (India) Limited (“the Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

OBJECTIVE

The Objective of this Policy is to determine the material subsidiaries of the Company and to ensure the governance of such companies. This Policy has been formulated in accordance with Clause 16(1)(c) of Chapter IV of Listing Regulations.

DEFINITIONS:

“**Board of Directors**” or “**Board**” means the Board of Directors of Sangam (India) Limited, as constituted from time to time.

“**Company**” means Sangam (India) Limited.

“**Subsidiary**” shall mean a subsidiary as defined under the Companies Act, 2013 and Rules made thereunder.

“**Independent Director**” means a non- executive Director of the Company, other than a nominee Director and who is neither a promoter nor belongs to the promoter group of the Company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations.

“**Audit Committee**” means Committee of the Board of Directors of the Company constituted under provisions of SEBI Regulation and the Companies Act, 2013.

“**Policy**” means Policy for determining Material Subsidiaries.

IDENTIFICATION OF MATERIAL SUBSIDIARY

A subsidiary shall be considered as 'material' whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

GOVERNANCE FRAMEWORK

- (1) At least one independent director on the board of directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India.
- (2) The audit committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- (3) The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the Company.
- (4) The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

Explanation.- For the purpose of this regulation, the term "significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

- (5) The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- (6) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

(7) Where the Company has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

POLICY REVIEW

This policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

DISCLOSURE

This policy shall be disclosed on the Company's website.

LIMITATION AND AMENDEMENT

In the event of any conflict between the provisions of this Policy and the Companies Act 2013/ Listing Regulations/ any other statutory enactments, rules, the provisions of such Listing Regulations/ Companies Act, 2013/ statutory enactments, rules shall prevail over this Policy.

Any subsequent amendment / modification in the Listing Regulations, Companies Act, 2013 and/or applicable laws in this regard shall automatically apply to this Policy.
