

October 06, 2016

To,
The Secretary,
The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001

Dear Sir,

Sub.: Submission of Company's 22nd Annual Report (FY 2015-16).
Ref: BSE Scrip Code: 530709

With reference to the above mentioned subject please find enclosed herewith the 22nd Annual Report (FY 2015-16) of our company for your kind information and record.

Thanking you,
Yours truly,

For Sangam Health Care Product Limited



G S R Murthy
Compliance Officer

DECLARATION

I, A Bala Gopal, Managing Director of M/s Sangam Health Care Product Limited (Script Code 531625) do hereby declare that pursuant to the provisions of Regulations 33 & 52 of SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2016, the Audit Report on the Annual Audited Financial results of the Company for the financial year ended 31st March, 2016 does not contain any modified opinion by the Statutory Auditors of the Company.

For Sangam Health Care Product Limited



A Bala Gopal
Managing Director



**SANGAM HEALTH CARE
PRODUCTS LIMITED**

22nd ANNUAL REPORT
2015-16

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GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies Act. As per the Section 101 read with Rule 18 of Companies (Management and Administration) Rules, 2014 of Companies Act, 2013. A member of Company can receive notice in electronic mode via email. Your Company has decided to join the MCA in its environment friendly initiative.

Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at: sangamlisting@gmail.com

We solicit your valuable co-operation and support in our endeavors to contribute our bit to the environment.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Name of Director

Mr. Bala Gopal Addepally
Mr. Lingaraj Shantalingappa Patil
Mr. Basawaraj Nagabusappa Sajjan
Mrs. Padma Ghanakota
Mrs. Ramana Ganakota
Mr. Venkata Subramanya Sharma Devarkonda
Mr. Pradyut Waghray
Mr. Khushwant Singh

Designation

Managing Director
Director
Director
Director
Director
Independent Director
Independent Director

C.F.O.

V. Satish Kumar

Compliance Officer

G.S.R. Murthy

Auditors

M/s. Jayant & Sadashiv (FRN: 001297S)
Chartered Accountants
404-405, Sanatana Eternal
3-6-108/1, Liberty Road
Himayatnagar,
Hyderabad-500029.

Bankers

State Bank of Hyderabad
Himmatnagar Branch

State Bank of Mysore
IFB, Ameerpet Branch,
Hyderabad.

Registered Office

205 & 206, Amarchand Sharma Complex,
S P Road, Secunderabad-2
Phone # 040-27719551, 27718252
Email: samgamlisting@gmail.com

Share Transfer Agents

M/s. XL SOFTECH SYSTEMS LTD.,
3, Sagar Society, Road No.2,
Banjara Hills, Hyderabad
Phone # 040-23545913/14/15
Email: xlfield@rediffmail.com
xlfield@gmail.com

Factory :

Survey No.182, Yellampet Village,
Medchal Mandal, RR District, Telangana.

NOTICE

NOTICE is hereby given that the 22st Annual General Meeting (AGM) of the Members of **Sangam Health Care Products Ltd** (CIN: L24230TG1993PLC016731) will be held on Friday, 30th September, 2016 at 3.00 P.M. at 205 & 206, Amarchand Sharma Complex, S.P. Road , Secunderabad- 500002 Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2016 along with the reports of the Board of Directors and Auditors thereon.
2. To re-appoint Mrs. Padma Ghanakota (DIN: 07078176), who retires by rotation, and being eligible offers himself for the re-appointment.
3. To ratify the continuation of the Statutory Auditors M/s. Jayant & Sadashiv, Chartered Accountants are eligible for continuing appointment and if thought fit, to pass with or without modification (s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding Rules, pursuant to the recommendations of the Audit Committee and the resolution passed by the members at their 20th AGM held on 30th September 2014, the appointment of M/s. Jayant & Sadashiv, Chartered Accountants (ICAI Firm Registration No. 001297S), who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, as Statutory Auditors to hold office up to the conclusion of the 23rd AGM, be and is hereby ratified at such remuneration as may be decided by the Board of Directors of the Company.”

By Order of the Board
For Sangam Health Care Products Limited

Place : Secunderabad
Date : August, 12, 2016

(BALAGOPAL ADDEPALLI)
Managing Director
DIN: 01712903

NOTES:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out in the Notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, is annexed hereto.
2. The register of members and share transfer books of the Company will be closed from September 24,2016 to September 30,2016 (both days inclusive) for the purpose of Annual General Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORMS SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
4. A person can act as proxy on behalf of Members of not exceeding fifty (50) and holding in the aggregating not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the company carrying voting rights then such proxy shall not act as proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority as applicable.
5. Members desiring any information are requested to write to the Company at its Registered Office, 205,206, Amarchand Sharma Complex S.P. Road Secunderabad – 500002 at least one week prior to the date of the Annual General Meeting to enable the Management to keep the information ready.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM
8. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
9. The annual report for the financial year 2015-16 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on Company's website sangamhealthcare.com. The

physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2015-16, free of cost, upon sending a request to the Company at 205,206, Amarchand Sharma Complex S.P. Road Secunderabad – 500002.

10. Members/Beneficial Owners/Proxies should bring the attendance slips duly filled in for attending the meeting.
11. Members/Beneficial Owners are requested to bring Annual Report with them for the Annual General Meeting. No copies of Annual Report will be distributed at the meeting.
12. Brief details of the directors re-appointed is annexed hereto as per the requirements of Regulation 36(3) of SEBI (LODR) Regulations, 2015.
13. The shares of the Company listed on BSE Limited but trading suspended. Company has not paid the listing fees to BSE.
14. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are **M/S. XL SOFTECH SYSTEMS LIMITED** having their Registered Office 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad.

15. VOTING THROUGH ELECTRONIC MEANS

- i. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (LODR) Regulations, 2015 the company is pleased to provide Members' facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It may be noted that using of this e-voting facility is optional.
- ii. P. Surya Prakash, Senior Associate, R&A Associates, Company Secretary in Practice (ACS : 18803, C.P.No. 11142) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- iii. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 23, 2016
- iv. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 23, 2016 only shall be entitled to avail the facility of remote e-voting and voting at AGM through polling paper.
- v. Any person who becomes a member of the Company after dispatch of the Notice of the

Meeting and holding shares as on the cut-off date i.e. September 23, 2016, may obtain the *User ID* and *password* by writing to M/s. XL Softech Systems Limited at xfield@gmail.com or contact +91 40 23545913 / 14 / 15. However, if the person is already registered for remote evoting then the existing user ID and password can be used for casting vote.

- vi. The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper.
- vii. The remote e-voting facility will be available during the following period:
- | | |
|---------------------------------|---|
| COMMENCEMENT OF REMOTE E-VOTING | 9.00 A.M. (IST) ON 27 TH SEPTEMBER, 2016 |
| END OF REMOTE E-VOTING | 5.00 P.M. (IST) ON 29 TH SEPTEMBER, 2016 |

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting Module shall be disabled by CDSL upon expiry of aforesaid period.

- viii. The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot first and thereafter through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company. The results shall simultaneously be communicated to BSE Limited.
- ix. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. September 30, 2016.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins from **9.00 a.m. (IST) on September 27, 2016** and ends on **5.00 p.m. on September 29, 2016**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **September 23, 2016**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders/Members
- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN of **Sangam Health Care Products Ltd.**
- xiii. On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option **YES** or **NO** as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.
- xvi. Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

xx. Note for Non – Individual Shareholders and Custodians

- ◆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ◆ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - ◆ The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be mailed to the scrutinizer's mail Id i.e. suryapraksh@rna-cs.com to verify the same.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By Order of the Board
For Sangam Health Care Products Limited

Place : Secunderabad
Date : August, 12, 2016

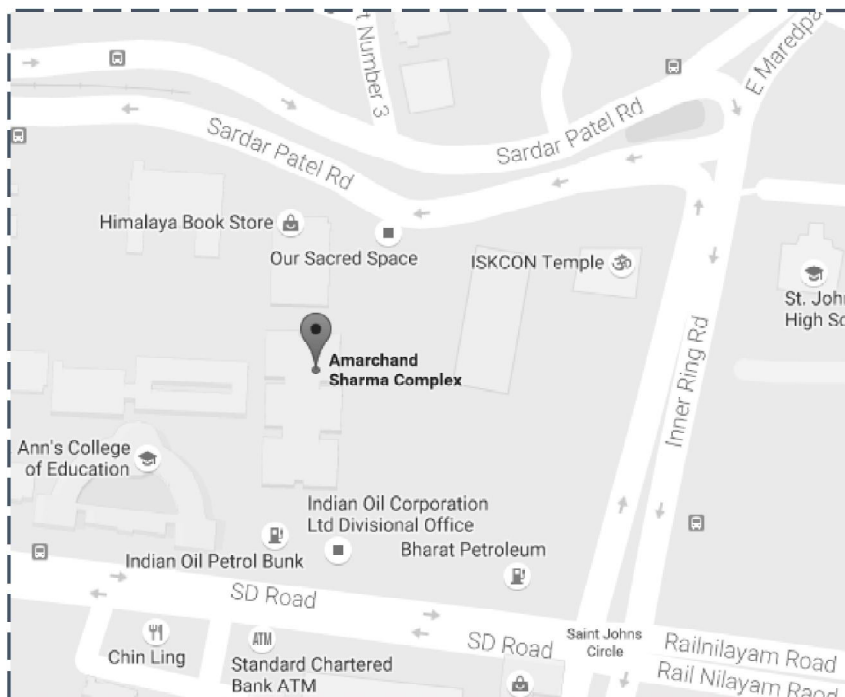
(BALAGOPAL ADDEPALLI)
Managing Director
DIN: 01712903

ADDITIONAL INFORMATION OF DIRECTORS BEING RE-APPOINTED AT THE ANNUAL GENERAL MEETING

(Pursuant Reg 36(3) to SEBI (LODR) Regulations, 2015)

Name	Mrs Padma Ghanakota
Date of Birth	17-08-1964
Date of Appointment	27-03-2015
Qualification	Graduate
Directorship held in other Companies	Nil
Membership/Chairmanships of Committees across public Companies	Nil.
Brief Profile covering experience, achievements etc.	She has 7 years of experience in manufacturing I V Sets and manufacturing pouches. She is also handling operations of manufacture of I V Sets at her Jeedimatla unit, Hyderabad.
Shares held in the Company	20, 00,000 Equity Shares of Rs.10/- each

IN TERMS OF THE REQUIREMENTS OF THE SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF THE COMPANY SECRETARIES OF INDIA, ROUTE MAP FOR THE LOCATION OF THE VENUE OF THE 22nd ANNUAL GENERAL MEETING IS GIVEN BELOW:



DIRECTORS' REPORT

Dear Shareholders,

SANGAM HEALTH CARE PRODUCTS LIMITED,

We have pleasure in presenting the 22nd Annual Report on the business and operations of Company and Financial Results for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

As per the requirements Section 134 of the Companies Act, 2013 and Rule 8(5) (i) of Companies (Accounts) Rules, 2014, the summarized Financial Results of the Company are given hereunder:

(₹. in lakhs)

Particulars	2015-2016	2014-15
Total Income	2343.85	2992
Increase/(Decrease) in stocks	(63.38)	(445.87)
Total Expenditure before Finance cost & Depreciation	2028.54	2116.88
Finance cost	379.99	545.82
Depreciation	152.56	151.23
Profit/(Loss) before Taxation	(153.86)	178.53
Provision for tax	-	-
Profit/(Loss) after Taxation	(153.86)	178.53

2. OPERATIONS AND BUSINESS OUTLOOK:

During the year under review, the Company recorded a total income of Rs. 2343.85 lakhs and a net loss of Rs. 153.86 lakhs against income of Rs. 2992 lakhs and a net profit of Rs.178.53 lakhs in the previous year. Company is adopting a very cautious approach towards its business in view of the risk involved in this business and the probable of Non Performing Assets (NPAs) are taken seriously to increase the level of profit.

5. REVOCATION OF SUSPENSION OF COMPANY'S SCRIP

Revocation of suspension of the Company's Shares in BSE Limited is in progress.

6. NEW PRODUCTS

Based on Market feedback and research your company has embarked on development of new Medical disposables which are currently not produced & marketed by the

Company. Some of the products like urine collections burette, yankur suction set launched and same are undergoing trials in development stage.

7. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

As per the requirements Section 134 (3) (I) of the Companies Act, 2013, we want to declare that, there are no significant material changes and commitments affecting financial position of the company between 31st March, 2016 and the date of Board's Report.

8. CHANGE IN THE NATURE OF BUSINESS:

As per the requirements Rule 8 (5) (ii) of Companies (Accounts) Rules, 2014, we want to declare that, there is no significant change in the nature of business of the company during the last financial year.

9. SHARE CAPITAL AND CLASSIFICATION OF COMPANY:

The authorized capital of the Company as on 31st March, 2016 was Rs. 150,000,000/- divided into 15,000,000 equity shares of Rs. 10/- each.

The Subscribed, Issued and Paid-up capital of the Company as on 31st March, 2016 was Rs. 148,607,000/- divided into 14,860,700 equity shares of Rs. 10/- each.

10. DIVIDEND

Your directors express their inability to recommend any dividend for the financial year 2015-2016.

11. FIXED DEPOSITS:

Your Company has not accepted/invited any deposits from the public for the year under review as per Section 73 of the Companies Act, 2013 and the rules made there under.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the requirements Rule 5 (iii) of Companies (Accounts) Rules, 2014, we want to inform you that, the following are the Directors and Key Managerial Personnel of the Company.

Sl No.	Name	Designation	DIN
1.	Mr. Bala Gopal Addepalli	Managing Director	01712903
2.	Mr. Khushwant Singh	Independent Director	00500962
3.	Mr. Pradyut Waghray	Independent Director	00765063
4.	Mr. Basawaraj Nagabusappa Sajjan	Director	05209651
5.	Mr. Venkata Subramanya Sharma Devarkonda	Director	07067129
6.	Mrs. Ramana Ganakota	Director	07067685
7.	Mrs. Padma Ghanakota	Director	07078176

A. RETIREMENT BY ROTATION

Pursuant to provisions of the Companies Act, 2013, Padma Ghanakota (DIN: 07078176, Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment.

B. APPOINTMENT

During the year under review, no directors were appointed as the director of the Company.

C. CESSATION

During the year under review, no directors resigned from the directorship of the Company.

D. EVALUATION OF THE BOARD'S PERFORMANCE

As per provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (LODR) Regulations, 2015, The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual directors which include criteria for performance evaluation of executive and non-executive director.

The Directors were overall satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

E. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, in terms of the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015, presented in a separate section forming part of the Annual Report. **(Annexure I).**

F. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is attached to this report as **Annexure II.**

G. DECLARATION BY INDEPENDENT DIRECTORS

In accordance with Section 149(7) of the Companies Act, 2013, each Independent Director has confirmed to the Company that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015..

The Company's Independent Directors meet on August 14, 2016, without the presence of Executive Directors or KMP. Matters pertaining to the Company's affairs was put forth their views to the chairman of the Independent Director Committee Meeting. Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015 to discuss:

- ▶ Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- ▶ Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole;
- ▶ Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

H. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) **THAT** in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) **THAT** the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) **THAT** the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) **THAT** the directors had prepared the annual accounts on a going concern basis;
- (e) **THAT** the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) **THAT** the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

I. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Board of Directors of the Company have adopted Whistle Blower Policy. This policy is formulated to provide an opportunity to employees to raise concerns and to access the Audit Committee in good faith, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

There were no complaints received during the year 2015-16.

J. PREVENTION OF INSIDER TRADING:

In terms of the provisions of SEBI (Prohibition of Insider Trading) Regulation 2015, effective from 15.05.2015, the Board of Directors of the Company has adopted the Code of Practices and Procedure and Code of Conduct for fair disclosure of unpublished price sensitive information. The object of this code is to protect the interest of the shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the company by the Directors, designated employees and other employees of the Company.

The Board is responsible for implementation of the Code.

Formulated the Code of Conduct to Regulate, Monitor and Report Trading by Insiders in terms of Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015. **Mr. G S R Murthy** has been designated as Compliance Officer for the purpose of this Code. All Board Directors and the designated and other employees have confirmed compliance with the Code.

K. FAMILIARIZATION PROGRAM:

The Independent Director were inducted into the Board and attended an orientation program. Further at the time of appointment they were issued a formal letter of appointment, outlining their duty, responsibilities, role and functions.

AUDITORS & AUDITORS' REPORT

A. STATUTORY AUDITORS:

In terms of first proviso of Section 139 of the Companies Act, 2013, the appointment of the auditors is subject to ratification by the shareholders at every subsequent AGM. Accordingly, the statutory auditors, M/s Jayant & Sadashiv (Firm Reg No. 001297S), Chartered Accountants, have confirmed their eligibility under Section 141 of the Companies Act, 2013, Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

The Audit Committee and the Board of Directors recommend the appointment of M/s Jayant & Sadashiv, Chartered Accountants, as statutory auditors of the Company from the conclusion of the 20th AGM till the conclusion of the 23rd AGM, subject to rectification by the shareholders.

The Statutory Auditors' Report does not contain any reservation, qualification or adverse remark.

The Statutory Audit report for the financial year 2015-16 is annexed herewith as *Annexure III* to this Report.

B. SECRETARIAL AUDITOR

During the year, The Company has appointed P. Surya Prakash as Secretarial Auditor. The Secretarial Audit Report (SAR) for the financial year 2015-16 is annexed herewith as *Annexure IV* to this Report.

The Secretarial Audit Report contains following qualification and reply by management.

3.	Non appointment of Independent director and Company Secretary.	Management is in the process of indentifying appropriate candidates to be appointed as Independent Director.
	Connectivity with Central Depository Services Limited (CDSL) only	As on March 31, 2016 Companies shareholders are 648 and trading of share were suspended on 10 th September, 2001, due to this company not obtained connectivity with NSDL.
	Delay in submission of information/disclosures to BSE Limited.	Management commits that hence forth information will furnished to stock exchange promptly.

C. COST AUDITOR

During the year under review, the Company was not required to maintain cost records and get them audited by Cost Auditor.

TRANSFER TO RESERVE

The Company has not transferred any amount to reserve in the financial year.

INDUSTRIAL RELATION

The Management and Labour relations were very cordial and harmonious and continued to remain cordial at all the level during the year under review.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with Corporate Governance is annexed to the Report on Corporate Governance.

The Company has complied with the requirements about code of conduct for Board members and Senior Management Personnel. The said policy is available on the website of the Company.

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015 the declaration signed by the Managing Director affirming compliance of the Code of Conduct by the Directors and Senior Management personnel of the Company for the financial year 2015-2016 is annexed and forms part of the Corporate Governance Report Annexure V.

CORPORATE SOCIAL RESPONSIBILITY

The Company was not required to constitute a CSR Committee as the Company has not met any of the thresholds mentioned in Section 135 of the Companies Act, 2013 during the financial year under review. Hence reporting about policy on Corporate Social Responsibility and the initiatives taken are not applicable to the Company.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to Company in this regard.

No employee was in receipt of remuneration in excess of limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence the disclosure as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Annexure VI

The Policy on materiality of related party transactions as approved by the Board.

Your Directors draw attention of the members to Notes No. 24 to the financial statement, 2015-16, which sets out related party disclosures.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not made any loan, given guarantee, provided security or made investments pursuant to the provisions of Section 186 of Companies Act, 2013.

DISCLOSURES

A. EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith in the form of MGT-9 as Annexure VII to this Report.

B. COMPOSITION OF SUB COMMITTEE:

NAME OF THE COMMITTEE AND MEMBERS OF COMMITTEE

a) AUDIT COMMITTEE

- | | | |
|---|-----------------------------------|----------------------|
| 1 | Mr. Khushwant Singh - Chairman | Independent Director |
| 2 | Mr. Pradyut Waghray - Member | Independent Director |
| 3 | Mr. Bala Gopal Addepalli - Member | Executive Director |

b) NOMINATION AND REMUNERATION COMMITTEE

- | | | |
|---|---|------------------------|
| 1 | Mr. Khushwant Singh - Chairman | Independent Director |
| 2 | Mr. Pradyut Waghray - Member | Independent Director |
| 3 | Mr. Basawaraj Nagabusappa Sajjan-Member | Non Executive Director |

c) STAKEHOLDERS RELATIONSHIP COMMITTEE

- | | | |
|---|--|------------------------|
| 1 | Mr. Basawaraj Nagabusappa Sajjan- Member | Non Executive Director |
| 2 | Mr. Bala Gopal Addepalli - Chairman | Executive Director |

C. NUMBER OF BOARD MEETINGS:

As per the requirements Section 134 (3) (b) of the Companies Act, 2013, we want to inform you that, the Board of Directors met 6 times during this financial year. For further details, please refer report on Corporate Governance. The Maximum interval between 2 meetings did not exceed 120 days, as prescribed under Companies Act, 2013.

D. LISTING

The equity share of the Company is listed with Bombay Stock Exchange (BSE). The Security ID of the company is SANHP and the Security Code is 531625.

On September 2, 2015, Securities & Exchange Board of India issued SEBI (LODR), Regulations 2015 streamlining the provisions of the Listing Agreement for different segments of Capital markets to ensure better enforcement, hence enforcing the Companies to enter into fresh Listing Agreement with the stock exchanges where the shares are listed. The Company entered into fresh Listing Agreement with BSE Limited on November 13, 2016.

* Listing fees is payable to BSE Ltd. including financial year 2015-16.

* Share Trading is suspended.

RISK MANAGEMENT

The Board of your company has formulated a risk management policy in connection with the risk that the organization faces in its day to day business such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory etc.

The board reviews the policy in regular interval.

FRAUD REPORTING

Pursuant to Companies Amendment Bill, 2014 there was no case of fraud that has been reported to the Audit Committee or Board during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars regarding Research & Development Conservation of energy, technology absorption in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the "Annexure VIII" forming part of this Report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. The Company has no subsidiaries, joint ventures or associate companies.
- b. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- c. The Company has in place adequate internal financial controls with reference to financial statements. These controls ensure the accuracy and completeness of the accounting records and preparation of reliable financial statements.

POLICY ON SEXUAL HARASSMENT

The Company has adopted policy on Prevention of Sexual Harassment of Employees at workplace in accordance with The Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any complaints pertaining to sexual harassment.

CAUTIONARY STATEMENT

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

SECRETARIAL STANDARDS

Your company has complied with the requirements of the Secretarial Standards, issued by Institute of Company Secretaries of India and which is approved by the Central Government

ACKNOWLEDGEMENTS

The Directors thank the Company's Bankers and officials of concerned Government Departments for their co-operation and continued support to the Company.

The Board would also like to thank the Company's shareholders, customers, suppliers for the support and the confidence which they have reposed in the management.

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The Board also desires to place on record its sincere appreciation for the support and co-operation that the company received from the customers, auditors, consultants and all others associated with the company.

The company always looked upon them as partners in its progress and has happily shared the rewards of growth. It will be the company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation.

By Order of the Board
For Sangam Health Care Products Limited

(BALAGOPAL ADDEPALLI)
Managing Director
DIN: 01712903

Place : Secunderabad
Date : August, 12, 2016

MANAGEMENT DISCUSSION ANALYSIS

Your company is making all the efforts to improve the operations by introducing various marketing avenues with a strong determination to ensure continued growth of the organization. The overall market environment is continues to be challenging, but your Company is confident that with sustained efforts, it will emerge strongly in the industry.

ECONOMY – REVIEW AND OUT LOOK

The overall economic environment has improved powered by lower oil prices, low inflation, a stable currency and the reforms agenda driven by the new Government at the centre.

However, India's public healthcare spend at less than 1% of GDP continues to remain among the lowest in the world. Many challenges like low profitability due to price controls, low healthcare insurance penetration, uncertainty around enforcement of patents and the threat of compulsory licensing continue to dampen sentiments and negatively impact investments by the health care industry. However, in view of the continues increase in health consciousness and awareness in the use of quality products, the demand and opportunities for the company's products is expected to grow manifold in the years to come.

Opportunities & threats

The company has increased its market share tremendously and now the brand-SAFTI has become the Market leader in IV sets in the Country. The company has also started concentrating on Micro interior markets as well as the institutional business and Corporate Hospitals. The company has been a regular supplier to State Governments Public Sector undertakings.

Certification & Quality

The company is accredited with ISO 9001:2008 certification for Manufacturing and supply of Medical Devices including sterile infusion sets (IV sets), sterile transfusion sets (B.T.Sets), Sterile Hypodermic Needles, Sterile Syringes and Urine Bags.

Segment wise / product wise performance

The Company manufactures IV sets, Disposable Syringes and Disposable Needles. The Annual Capacity of IV Sets is 40 Millions, Disposable Syringes is 264 Millions and Disposable Needles is 135 Millions per Annum. As the Company has completed the de-bottlenecking of the IV Set, Capacity is increased to 40 Millions from July 07 onwards.

Outlook

Our Company has emerged as one of the leaders in the Medical Disposables market and it's continuous efforts for a strong presence in the domestic market. There has been growing awareness among the

end users about the threats posed while using Low Quality Infusion sets produced and marketed by the Unorganized Sector. There were conscious efforts from the government which helped the cause more. The share of unorganized sector is falling drastically and there was a corresponding spurt in the demand for quality products in addition to the normal increase in demand.

The Company is making all efforts to meet the increase in demand for our products.

RISKS

The competition from the Domestic unorganized sector could be considered as a risk for its domestic sales. Competition from China could be considered as risk for the export market.

The Company has been constantly evolving strategies for competing in the domestic as well as the export market. Increase in price of basic Plastic Raw Materials has been a major concern for all the manufacturers of Medical disposables.

INTERNAL CONTROL SYSTEMS

Your Company placed considerable emphasis on internal control system so as to minimize the cost and improve efficiency. The existing systems are adequate given the size of the Company. However further steps is proposed to have comprehensive controls on all aspects.

FINANCIAL PERFORMANCE

During the year under review, the Company recorded a total income of Rs. 2379 lakhs and a net Loss of Rs. 153.86 lakhs against income of Rs. 2992 lakhs and a net profit of Rs. 178.53 lakhs in the previous year. Company is adopting a very cautious approach towards its business in view of the risk involved in this business and the probable of Non-Performing Assets (NPAs) are taken seriously to increase the level of profit. However, the deep in the total revenue was due to lesser provisions made was written back.

The Company has been continuously working on quality up gradation of the products, implementation of innovative techniques for product development, cost reduction and to increase its productivity.

HUMAN RESOURCES

All efforts are being made to retain the talent and improve the Quality of products and its Sales. Company is providing training to its technical & marketing staff by conducting periodical training programs by eminent faculty Experts. Industrial Relations were cordial during the year.

REMUNERATION POLICY

1. INTRODUCTION

Sangam Healthcare Products Ltd recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- ◆ Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- ◆ Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- ◆ Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. SCOPE AND EXCLUSION:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. TERMS AND REFERENCES:

In this Policy, the following terms shall have the following meanings:

"Director" means a director appointed to the Board of the Company.

"Key Managerial Personnel" means :

- (i) the Chief Executive Officer or the Managing Director or the manager;
- (ii) the Company secretary;
- (iii) the Whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

"Nomination and Remuneration Committee" means the committee constituted by Sangam Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

4. POLICY:

A. Criteria for Appointment of Non-Executive Directors & Independent Directors

- a) The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.
- b) In case of appointment of Independent Directors, the Nomination & Remuneration (N&R) Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

- c) The N&R committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under section 164 of the Companies Act 2013.
- d) In case of re-appointment of Non-Executive Directors & Independent Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration of Non-Executive Directors & Independent Directors

- i. A Non-Executive Director & Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 including any amendment or modification thereto as may be in force;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

B. Criteria for Appointment of Executive Directors and Key Managerial Personnel (KMP)

For the purpose of appointment of any Executive Director and Key Managerial Personnel (KMP), the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee shall also ensure that the incumbent fulfils such other criteria as laid down under the Companies Act, 2013 read with Rules made there under or other applicable laws.

Remuneration of Executive Directors & KMP

- i. The Board, on the recommendation of the Nomination and Remuneration (N&R) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits prescribed under Companies Act, 2013 including any statutory modification or amendment thereto as may be in force, subject to approval by the shareholders in General Meeting.
- ii. The Board, on the recommendation of the N&R Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- iii. The remuneration of the Executive Directors and KMP may be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.

C. Remuneration to Other Employees:

- i. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.
- ii. The remuneration may be divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus.

INDEPENDENT AUDITORS' REPORT

To the Members of Sangam Health Care Products Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Sangam Health Care Products Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair

view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its Loss and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; and
 - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Jayant & Sadashiv
Chartered Accountants
Firm's Registration Number: 001297S

Jayant Palnitkar
Partner
Membership No. 020851

Place: Hyderabad
Date: 16-05-2016

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- 1) In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. In our opinion, the interval is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The title deed of immovable properties, as disclosed in Schedule 10 to the financial statements, are held in the name of the company as at the balance sheet date.

Particulars	Land	Factory Buildings
Gross Block as on 31 st March, 2016	7,90,50,000	6,20,32,155
Net Block as on 31 st March, 2016	7,90,50,000	4,09,55,758

- 2)
 - (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account and records.
- The Company has been generally regular in depositing the following undisputed statutory dues: Income-Tax, Sales tax, Duty of Excise, Value Added Tax, Cess with the appropriate authorities.
 - There has been irregularity in depositing the following undisputed statutory dues: Service tax, Employee State Insurance and Provident Fund with the appropriate authorities.
 - According to the information and explanations given to us, the following are the undisputed statutory dues which are in arrears as at 31st March, 2016 for a period of more than six months from the date on which they have become payable.

Nature of Statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which amount relates	Remarks
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952	Provident Fund	65.97	Nov 2013 to Sep 2015	Not deposited
Employees' State Insurance Act, 1948	ESI	1.12	Aug & Sep 2015	Not deposited

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) The Company has defaulted in the repayment of dues to banks for a period of two months and the company has not issued any debentures.

Name of the Bank	Type of dues	Amount (Rs. in Lakhs)		Period to which the amount relates
		Principal	Interest	
State Bank of Hyderabad	Term Loan	10.00	3.46	Feb & Mar 2016
State Bank of Hyderabad	FITL	6.00	4.53	Feb & Mar 2016
State Bank of Hyderabad	WCTL	29.50	43.46	Feb & Mar 2016

- 9) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- 10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with

the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.;

- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 14) According to the information and explanations give to us and based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) According to the information and explanations given to us and based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with any director or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For Jayant & Sadashiv
Chartered Accountants
Firm's Registration Number: 001297S

Jayant Palnitkar
Partner
Membership No. 020851

Place: Hyderabad

Date: 16-05-2016

“Annexure B” to the Independent Auditors’ Report of even date on the Financial Statements of Sangam Health Care Products Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Sangam Health Care Products Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Jayant & Sadashiv
Chartered Accountants
Firm's Registration Number: 001297S

Jayant Palnitkar
Partner
Membership No. 020851

Place: Hyderabad
Date: 16-05-2016

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Sangam Health Care Products Limited,
205 & 206, Amarchand Sharma Complex
S P Road, Secunderabad - 2, Telangana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sangam Health Care Products Limited (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment; **(Not applicable to the Company during the Audit Period);**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992(*upto 14th May, 2015*) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015(*effective from 15th May, 2015*);
- c) The Listing Agreement (*till November 13, 2015*) entered into the Company with BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“ Listing Regulations”)(*with effect from November 13, 2015*)
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period);**
- e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; **(Not applicable to the Company during the Audit Period);**
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period);**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period);** and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period).**

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with BSE India Limited (effective till 13th November, 2015).

Trading of shares suspended with BSE Limited in the year 2001.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

- a) Pursuant to the provisions of the section 203(1)(ii) of the Companies Act, 2013 the Company shall appoint company Secretary. However the Company has not complied with the requirement, the post of Company Secretary (KMP) is lying vacant till date.
- b) Board of Directors of the Company consists of eight (8) Directors out of which two (2) are Independent Directors whereas half of the Board shall consist of Independent Directors pursuant to Listing Agreement/Listing Regulations.
- c) Company is having electronic connectivity with Central Depository Services Limited (CDSL) only but not with National Securities Depository Limited (NSDL).
- d) Delay in submission of information/filing of documents with BSE Limited pursuant to the Listing Agreement/Listing Regulations.

We further report that the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Notice was given to all Directors in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

Relying on the representation given by the Company and its officers with regard to the Other laws applicable specifically to the Company and its Compliance and the limited review done by us, we opine that the Company has generally complied with the following laws to the extent specifically applicable the company:

- (a) Drugs and Cosmetics Act, 1940 and Rules made thereunder;
- (b) Drugs Price Control Order, 2013 and notifications made thereunder

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For R & A Associates

Place: Hyderabad

Date: 12-08-2016

P. Surya Prakash

Sr Associate

(ACS: 18803, C.P. No 11142)

*This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report.

To,

The Members
Sangam Health Care Products Limited,
205 & 206, Amarchand Sharma Complex
S P Road, Secunderabad - 2, Telangana

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of Sangam Health Care Products Limited, ("**the Company**"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. With regards to various submission(s) of information / document and compliance thereof made by the company with the stock exchanges, the reporting of compliance was made based upon the information / documents available. However, some of the information and documents were not available for verification.

For R & A Associates

Place: Hyderabad
Date: 12-08-2016

P. Surya Prakash
Sr Associate
(ACS: 18803, C.P. No 11142)

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Company submits the Corporate Governance Report for the year ended 31st March, 2016.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Sangam Health Care Products Limited's (SANGAM) philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

SANGAM is committed to learn and adopt the best practices of Corporate Governance.

2. BOARD OF DIRECTORS:

The Board of Directors along with the Committees of the Board, provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company. The Board of the Company is represented by well-known people from different walks of life. They are reputed and successful professionals, businessmen having expert knowledge of finance and industry.

They are well recognized in the society for their contributions and achievements in their respective fields of expertise.

a) Composition:

As on 31 March 2016, the Board of the Company consisted of eight directors, of whom one was executive (Managing Director), two non-executive independent and five were non-executive and non-independent (including one-woman director). The Board has no institutional nominee director. The Company has an Executive Chairman. According to regulation 17(1)(b) of SEBI (LODR) Regulations, 2015, where the chairperson of the Board is a executive director, at least half of the Board of directors shall comprise of independent directors.

However, Sangam is not complied with the said requirement and the Management is in the process of identifying suitable person to be appointed as Independent Director.

b) Number of Meetings of the Board:

During the financial year 2015-16, the Board met six times and the gap between any two meetings has been less than one hundred and twenty days. The Directors who were present in the Board Meeting are marked as "√" and the directors who were granted leave of absence was marked as "X".

Sl No	Name of Director	25-Apr-15	14-May-15	14-Aug-15	13-Nov-15	28-Dec-15	13-Feb-16
1.	Khushwant Singh	√	√	√	√	√	√
2.	Pradyut Waghray	√	√	√	√	√	√
3.	Bala Gopal Addepalli	√	√	√	√	√	√
4.	Basawaraj Nagabusappa Sajjan	√	√	√	√	√	√
5.	Venkata Subramanya Sharma	√	√	√	√	√	√
6.	Ramana Ganakota	√	√	√	√	√	√
7.	Padma Ghanakota	√	√	√	√	√	√

Attendance Record of Directors

Table - I

Name of the Director	Category and Position	No. of Board Meetings		Whether attended last AGM	No. of Committees of Board of other companies		No. of other Directorship held
		Held	Attended		Chairmanship	Member	
Bala Gopal Addepalli	Chairman and Managing Director	6	6	Yes	-	-	1
Khushwant Singh	Non-Executive & Independent	6	6	Yes	-	-	-
Pradyut Waghray	Non-Executive & Independent	6	6	Yes	-	-	2
Venkata Subramanya Sharma Devarkoonda	Non-Executive	6	6	No	-	-	-
Basawaraj Nagabusappa Sajjan	Non-Executive	6	6	No	-	-	-
Ramana Ganakota	Non-Executive	6	6	Yes	-	-	-
Padma Ghanakota	Non-Executive	6	6	Yes	-	-	-

d) Disclosure of relationship between directors inter-se: No non-executive directors have any material pecuniary relationship or transactions with the company, its promoters or its management, which in the judgment of the board may affect independence of judgment of the director.

e) Committees of the Board

The Board has constituted Committees with specific terms of reference/scope to focus effectively on issues and ensure expedient resolution of diverse matters.

At present, the Company has the following Board Level Committees, namely:

A) Audit Committee

B) Remuneration Committee

C) Shareholders/Investor's Grievance Committee

☞ The Compliance officer acts as the Secretary of all the aforementioned Committees.

☞ The minutes of the meetings of all Committees of the Board are placed before the Board for discussions / noting.

3. AUDIT COMMITTEE:

The Company had set up its Audit Committee under erstwhile Companies Act, 1956 and clause 49 of the erstwhile Listing Agreement. The Audit Committee was reconstituted in 2015, consequent upon the change in the Board of Directors.

To meet the additional requirement of Companies Act, 2013 and clause 49 (now corresponding to regulation 18 of SEBI Listing Regulations, 2015), the terms of reference of Committee were amended by the Board at its meeting held on February 9, 2015.

The Board has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013, SEBI Listing Regulations, 2015.

a. Constitution & Composition:

In compliance with Companies Act, 2013 and regulation 18(1)(c) of SEBI Listing Regulations, 2015, three members of the Audit Committee, viz. Mr. Khushwant Singh (Chairman), Mr. Pradyut Waghray are independent directors and Mr. Bala Gopal Addepalli, Executive Director.

All the members of the Audit Committee are 'financially literate'

b. Meetings and attendance:

During 2015-16, the Audit Committee met four times viz. (i) 14 May 2015, (ii) 14 August 2015, (iii) 13 November 2015 and (iv) 13 February 2016. The meetings were scheduled well in advance and not more than one hundred and twenty days elapsed between any two meetings.

In addition to the members of the Audit Committee, these meetings were attended by the heads of finance, internal audit functions and the statutory auditor of the Company and those executives who were considered necessary for providing inputs to the Committee. Further, on invitation, directors who are not members of the Committee also attended the meetings of the Committee. The Compliance officer acted as the secretary to the Audit Committee.

Composition of Audit Committee and attendance record of members for 2015-16

S.No.	Name of the Director	Category	Meetings Held	Meetings Attended
1	Khushwant Singh	Chairman, Non - executive, Independent	4	4
2	Pradyut Waghray	Non -executive, Independent	4	4
3	Bala Gopal Addepalli	Executive	4	4

4. NOMINATION & REMUNERATION COMMITTEE:

Sangam constituted the Remuneration Committee of the Board subsequently the committee was reconstituted in February 2015 as a result of change in the Board of Directors.

Further, the Board at its meeting renamed the Committee as "Nomination and Remuneration Committee" and also revised the terms of reference for this Committee in compliance with section 178 of Companies Act, 2013 and clause 49 of the erstwhile Listing Agreement.

During the year under review, the Committee met one time viz. 14 August 2015.

Composition of the Nomination and Remuneration Committee and attendance record of members for 2015-16:

S.No.	Name of the Director	Category	Meetings Held	Meetings Attended
1	Khushwant Singh	Chairman, Non -executive, Independent	1	1
2	Pradyut Waghray	Non -executive, Independent	1	1
3	Basawaraj Nagabusappa Sajjan	Non –executive	1	1

Further, on invitation, directors who are not members of the Committee also attended the meetings of the Committee.

Remuneration Policy as per Annexure-II

5. DETAILS OF REMUNERATION:

The Managing/Executive Directors are not paid any remuneration during the financial year under review. The Non-Executive Director did not draw any remuneration from the Company except sitting fees for each meeting of the Board attended by them

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board of Directors of the Company constituted its Shareholders' and Investors' Grievance Committee under erstwhile Companies Act, 1956 and clause 49 of the erstwhile Listing Agreement. This Committee was constituted to specifically look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend, payment of unclaimed dividends etc.

In compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations, 2015 the Board renamed the Committee as 'Stakeholders Relationship Committee' in the board meeting.

Composition of the Stakeholders Relationship Committee and attendance record of members for 2015-16

S.No.	Name of the Director	Category	Meetings Held	Meetings Attended
1	Bala Gopal Addepalli	Chairman, Executive	4	4
2	Basawaraj Nagabusappa Sajjan	Non- executive	4	4

There were no complaints received from the shareholders during the year ended March 31, 2016.

The Company ensures that the investor's correspondence is attended expeditiously and endeavour is made to send a satisfactory reply within ten days of receipt, except in cases that are constrained by disputes or legal impediments.

There are no pending share transfer complaints as on March 31, 2016.

COMPLIANCE OFFICER: Mr. G S R Murthy

As on 31st March, 2016, 601800 (4.05%) Equity Shares are in demat accounts with Central Depository Services (India) Limited.

4. GENERAL BODY MEETING:

a) Location, date and time of the Annual General Meetings held during the preceding 3 years are as follows:

AGM	Financial Year	Day/Date	Time	Venue	Special Resolutions
21 st	2014-15	28-09-2015	3.30 P.M	205 & 206, Amarchand Sharma Complex, S.P. Road, Secunderabad- 500003	1 Material Related Party contract with M/s Sri Sai Gravure Prints Material Related Party contract with M/S Sri Sai Health Care Products 2 Borrow money in excess of paid-up share capital and free reserves secure the money borrowed in excess of paid-up share capital and free reserves
20 th	2013-14	30-09-2014	3.30 A.M		NIL
19 th	2012-13	30-09-2013	2.00 P.M		Revision of Remuneration Mr. JM Narsinga Rao as the Managing Director for a period upto 31-Dec-2013

b. Postal Ballot Resolution

No Postal ballot resolution was passed during the year ended March 31, 2016. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting.

c. Details of Extra-Ordinary General Meetings held during the year: Nil

8. MEANS OF COMMUNICATION:

- ☞ The Quarterly, half-yearly and annual results of the Company's performance are sent to the BSE Limited.
- ☞ The company's website address is: www.sangamhealthcare.co.in. The website contains basic information about the company. The company ensures periodical updation of its website. The company has designated the email-id sangamlisting@gmail.com in to enable the shareholders to register their grievances.
- ☞ The Company has 648 shareholders as on 31st March, 2016. The Company mainly communicates with its shareholders through Annual Report, which includes the Director's Report, Management Discussion and Analysis Report, Report on Corporate Governance.

☞ No presentations have been made to institutional investors or to analysts

10. GENERAL SHAREHOLDER INFORMATION:

- a) **22nd Annual General Meeting:**
Date: 30th September, 2016
Time: 3 P.M.
Venue: Registered office
- b) **Financial Year** : 1st April, 2015 to 31st March, 2016
- c) **Date of Book Closure** : Sept. 24, 2016 to September 30, 2016
(both days inclusive)
- d) **Dividend Payment Date** : No
- e) **Financial Calendar** : For the FY 2016-17

Financial Results	Cut-off Date
Unaudited first quarter financial results	On or before August 14,2016
Unaudited second quarter financial results	On or before November 14,2016
Unaudited third quarter financial results	On or before February 14,2017
Approval of audited annual results for year ending 31 March, 2017	On or before May 31,2017

f) Listing on Stock Exchange:

Name of the Stock Exchange	Address	Scrip Code/Scrip ID
Bombay Stock Exchange Limited (BSE)	25 th Floor, P.J. Towers, Dalal Street, Mumbai -400001	531625 SANHP

The Company has not paid listing fees to BSE for the year 2016-17.

- g) **ISI Number for NSDL & CDSL** : INE431E01011
- h) **Depositories**
- i. **Central Depository Services (India) Ltd.,**
Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai-400023.
- i) **Market Price Data :**
The Company's shares are not being traded in BSE Limited. Hence, information regarding the market price could not be provided.
- j) **Registrar & Share Transfer Agent:**
For lodgement of transfer deeds and other documents or for any grievances/ complaints, investors may contact the Company's Registrar and Share Transfer Agent at the following address:
M/S XL SOFTECH SYSTEMS LTD.
3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad-500034.
Phone # 040-23545913/14/15, Email: xlfield@rediffmail.com

k) Share Transfer System:

The Board of Directors of the Company has delegated the powers of share transfers, splitting, consolidation of share certificates and issue of duplicate shares, rematerialisation of shares etc. to Share Transfer Committee. The board attends the share transfer formalities at least once in a fortnight. The Registrar and Share Transfer Agents register the shares received for transfer in physical mode, within 15 days from the date of lodgement, if documents are complete in all respects.

l) Shareholding Pattern as on 31st March, 2016:

Sl. No.	Category share holders	No. of Share held issued shares	No. of of Total	Percentage
1	Promoters	6	10421040	70.12
2	Mutual Fund	3	599100	4.03
3	Banks/FI	5	653900	4.40
4	Private Corporate Bodies	7	1598160	10.75
5	Public	624	1578500	10.62
6	Others	3	10000	0.07
	Total	648	14860700	100.00%

m) Dematerialization of Shares & Liquidity:

The Company's shares are available for trading in the depository systems with the Central Depository Services (India) Limited (CDSL).

As on 31st March, 2016, 601800 (4.05%) Equity Shares are in demat accounts with Central Depository Services (India) Limited.

n) Reconciliation of Share Capital Audit:

The Reconciliation of Share Capital Audit was carried out by Practicing Company Secretary for each of the quarters in the financial year 2015-16, to reconcile the admitted capital with Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued/paid-up capital is an agreement with the total number of shares in physical form and the total number of dematerialized shares held with depositories.

o) Outstanding GDRs/ADRs/Warrant or any convertible instruments:

The Company has not issued any GDRs/ADRs, Warrants or any convertible instruments.

p) Commodity price risk or foreign exchange risk and hedging activities:

The Company monitors the price of key commodities closely and formulates the procurement strategies basis actual price movements / trends / projections in India. The Company has adequate governance structure of aligning and reviewing the procurement strategies in line with external and internal dynamics.

q) Address for Correspondence:

For queries relating to financial statements, please write to:

SANGAM HEALTH CARE PRODUCTS LTD

Regd.Off.: 205,206, Amarchand Sharma Complex S.P. Road,
Secunderabad - 500002.

e) Website: www.sangamhealthcare.co.in

It is also affirmed that no member has been denied access to the Audit Committee.

10. DISCRETIONARY REQUIREMENTS:

The Company is complying with the following discretionary requirements prescribed under Schedule II Part E of the SEBI (LODR) Regulations, 2015:

1. Separate posts of Chairman and Managing Director: The Company has not complied with the said requirement as Mr. Bala Gopal Addepalli is holding both the post as chairman and Managing Director.
2. Reporting of Internal Auditor: The Internal Auditor of the company directly reports to the Audit Committee
3. Independent Directors possess the requisite qualification and experience to contribute effectively to the company in their capacity as independent director
4. The statutory financial statements of the company are unqualified

DECLARATION FOR CODE OF CONDUCT

As required under Part D of Schedule V of SEBI (LODR) Regulations, 2015, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year ended on 31st March, 2016.

Date : 22-08-2016
Place : Secunderabad

Sd/-
(A Bala Gopal)
Managing Director
(DIN: 01712903)

ANNEXURE – VII**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

Information on Conservation of Energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts) Rules, 2014 is not applicable since there is no such activity at present being pursued by the Company.

A. CONSERVATION OF ENERGY

i)	The steps taken or impact on conservation of energy	Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using effective equipment.
ii)	The steps taken by the Company for utilizing alternate sources of energy	Nil
iii)	The capital investment on energy conservation equipments	Nil

B. TECHNOLOGY ABSORPTION

i)	The efforts made towards technology absorption	The Company has adapted indigenous technology and innovated upon the same.
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Product improvement, increase in yield, production of high value added products.
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	No technology has been imported during the last three years.
	The details of technology imported	NA
	The year of import	NA
	Whether the technology been fully absorbed	NA
	If not fully absorbed, areas where absorption has not taken place and the reasons thereof and	NA
iv)	The expenditure incurred on Research and Development	Expenditure on in-house Research & Development was not incurred during the year under review.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

i) Foreign Exchange Earned:	2015-16	2014-15
FOB value of exports	Nil	Nil
CIF value of exports	Nil	Nil
ii) Foreign Exchange used:		
Commission on Exports	Nil	Nil
Foreign Travel Expenses	Nil	Nil
Spare parts	Nil	Nil

CERTIFICATION BY MD & CFO OF THE COMPANY

(Regulation 17(8) of SEBI (LODR) Regulations, 2015 read with PART B of Schedule II)

We, Bala Gopal Addepalli, Managing Director and Satish Kumar Varre, Chief Financial Officer of Sangam Health Care Products Limited, to the best of our knowledge and belief certify that :

1. We have reviewed the Balance Sheet, Statement of Profit and Loss, its notes to the accounts and Cash Flow Statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief :
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify that, based on our knowledge and the information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee :
 - a) significant changes in internal control during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Date: 12-08-2016
Place: Secunderabad

Sd/-
Bala Gopal Addepalli
Managing Director
DIN: 01712903

Sd/-
Satish Kumar Varre
CFO
PAN: ACLPV7670E

**COMPLIANCE CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE
OF CONDITIONS OF CORPORATE GOVERNANCE**

[Regulation 34(3) of SEBI (LODR), 2015]

To
The Members
Sangam Health Care Products Limited.

We have examined the compliance of conditions of Corporate Governance by **Sangam Health Care Products Limited** for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement with the stock exchange for the period from April 1st 2015 to 30th November, 2015 and the Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) from the period December 1st 2015 to March 31st 2016.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned in Part E of Schedule V of SEBI (LODR) Regulations, 2015 except constitution of Board

We further state that such compliance is neither an assurance as to the future viability of the Company nor the effectiveness with which the management has conducted the affairs of the Company.

For **Jayant & Sadashiv**
Chartered Accountants

Date : 12-08-2016
Place: Secunderabad

Sd/-
Jayant Palnitkar
Memb. No. 020851

ANNEXURE – VII

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i. **CIN** : L24230TG1993PLC016731
- ii. **Registration date** : 12/13/1993
- iii. **Name of the Company** : SANGAM HEALTH CARE PRODUCTS LTD
- iv. **Category/Sub Category of the Company** : Company Limited by Shares/
Indian Non-Government Company
- v. **Address of the Registered Office and Contact details** : 205, 206, Amarchand Sharma Complex,
S.P. Road, Secunderabad - 500002,
Telangana
- vi. **Whether Listed Company** : Yes
- vii. **Name, Address and contact details of Registrar and Transfer Agent, if any** : M/s. XL Softech Systems Limited3,
Sagar Society, Road No.2,
Banjara Hills, Hyderabad
Tel : 040-23545913, 23545914, 23545915
e-mail: xlfield@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

SI. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Other human health activities n.e.c.	86909	97.39%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

S. No	Name and address of the Company	CIN/ GLN	Holding/ subsidiary /Associate	% of shares held	Applicable section
	Nil				

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity): Not Applicable, since Company limited by Guarantee

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/HUF	-	1,04,20,940	1,04,20,940	70.12	0	1,04,21,040	1,04,21,040	70.12	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Bank/ FI's	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):-	-	1,04,20,940	1,04,20,940	70.12	0	1,04,21,040	1,04,21,040	70.12	0.00
(2) Foreign									
a) NRI's-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/ FI's	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=									
(A)(1)+(A)(2)	-	1,04,20,940	1,04,20,940	70.12	-	1,04,21,040	1,04,21,040	70.12	0.00

B) Public Shareholding										
1. Institutions										
a) Mutual Funds		5,99,100	5,99,100	4.03	-	5,99,100	5,99,100	4.03	-	
b) Banks / FIs	4,00,000	2,53,900	6,53,900	4.40	4,00,000	2,53,900	6,53,900	4.40	-	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt.	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FPIs	-	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-	
i) Others (Specify)	-	-	-	-	-	-	-	-	-	
Sub-Total (B)(1):-	4,00,000	8,53,000	12,53,000	8.43	4,00,000	8,53,000	12,53,000	8.43	-	-
2. Non-Institutions										
a) Bodies Corporate										
i) Indian	-	17,98,160	17,98,160	12.10	-	15,98,160	15,98,160	10.76	-	
ii) Overseas	-	-	-	-	-	-	-	-	-	
b) Individuals										
i) Individual Shareholders holding nominal share capital in upto of Rs. 2 Lakh	13700	6,79,000	6,92,700	4.62	13200	8,07,500	8,20,700	5.52	19.48	
ii) Individual Shareholders holding nominal share capital in excess of Rs. 2 Lakh	188600	4,97,300	6,85,900	4.62	188600	5,69,200	7,57,800	5.10	10.50	
c) Others	0	10,000	10,000	0.07	0	10,000	10,000	0.07	-	
Sub-Total (B)(2):-	2,02,300	29,84,460	31,86,760	21.40	2,01,800	29,84,860	31,86,660	21.45	-	-
Total Public Shareholding	6,02,300	1,42,58,400	1,48,60,700	100	6,01,800	1,42,58,900	1,48,60,700	100.00	-	-
C. Shares held by Custodians for ADR's & GDR's										
Grand Total (A+B+C)	6,02,300	1,42,58,400	1,48,60,700	100	6,01,800	1,42,58,900	1,48,60,700	100.00	-	-

ii) Shareholding of Promoters:									
S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year	
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total		
1	Addepalli Bala Gopal	30,01,000	20.19	-	30,01,000	20.19	-	-	
2	Devarakonda Venkata Subramanya Sharma	25,00,000	16.82	-	25,00,000	16.82	-	-	
3	Ganakota Padma	20,00,000	13.46	-	20,00,000	13.46	-	-	
4	Ganakota Ramana	22,55,140	15.18	-	22,55,240	15.18	-	-	
5	Devarakonda V S Krishna Teja	3,79,900	2.56	-	3,79,900	2.56	-	-	
6	Sai Balaji Krishna Teja Addepalli	2,84,900	1.92	-	2,84,900	1.92	-	-	
	Total	1,04,20,940	70.12	-	1,04,21,040	70.12	-	-	
(iii) Change in Promoters' Shareholding									
S.No.	Ganakota Ramana	Shareholding at the beginning of the year			Cumulative Shareholding during the year				
		No. of Shares	% of Total Shares of the Company	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company			
1	At the beginning of the year	22,55,140	15.18						
2	Date wise increase in Promoters Shareholding during the year				100		0		
3	At the end of the year				22,55,240		15.18		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
S.No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	M/S Boin Medica Co Ltd	1240260	8.35	1240260	8.35
2	UTL AMC Pvt.Ltd.	300000	2.02	300000	2.02
3	Shobha Bembolgi	260000	1.75	260000	1.75
4	Principal Trustee Company Pvt Ltd.	200000	1.35	200000	1.35
5	Dundumulla Bhagat Reddy	-	-	200000	1.35
6	Bank of India	19970	1.34	19970	1.34
7	GIC Asset Management Company Limited	199400	1.34	199400	1.34
8	Indian Bank	150000	1.01	150000	1.01
9	Ajay Kumar Kayan	142500	0.96	142500	0.96
10	SMIFS Capital Markets Ltd	142400	0.96	142400	0.96
	Total				

(v) Shareholding of Directors and Key Managerial Personnel:					
S.No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Basawaraj Nagabusappa Sajjan				
	At the beginning of the year				
	Increase in Shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year				

S.No.	Shareholder's Name	Shareholding at the beginning of		Cumulative Shareholding during the	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
2	Addepalli Bala Gopal				
	At the beginning of the year	30,01,000	20.19	-	0
	Increase in Shareholding during the year	-	-	-	-
	At the end of the year	30,01,000	20.19	30,01,000	20.19

S.No.	Shareholder's Name	Shareholding at the beginning of		Cumulative Shareholding during the	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
3	Devarakonda Venkata Subramanya Sharma				
	At the beginning of the year	25,00,000	16.82	-	0
	Increase in Shareholding during the year	-	-	-	-
	At the end of the year	25,00,000	16.82	25,00,000	16.82

S.No.	Shareholder's Name	Shareholding at the beginning of		Cumulative Shareholding during the	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
4	Ganakota Padma				
	At the beginning of the year	20,00,000	13.46	-	0
	Increase in Shareholding during the year	-	-	-	-
	At the end of the year	20,00,000	13.46	20,00,000	13.46

S.No.	Shareholder's Name	Shareholding at the beginning of		Cumulative Shareholding during the	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
5	Ganakota Ramana				
	At the beginning of the year	22,55,140	15.18	-	0
	Increase in Shareholding during the year	-	-	-	-
	At the end of the year	22,55,140	15.18	22,55,140	15.18

V. INDEBTNESS					
Indebtedness of the Company including interest outstanding/accrued but not due for payment					
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total	
				Indebtedness	
Indebtedness at the beginning of the financial year					
i) Principal Amount	322450967	2000000	0	0	324450967
ii) Interest due but not paid	7721347	0	0	0	7721347
iii) Interest accrued but not due					
Total (i+ii+iii)	330172314	2000000	0	0	
Changes in Indebtedness during the year					
Addition	0	46843496	0	0	46843496
Reduction	35522745	0			35522745
Net Change	-35522745	46843496	0	0	11320751
Indebtedness at the end of the financial year					
i) Principal Amount	289504569	48843496	0	0	338348065
ii) Interest due but not paid	5145000	0			5145000
iii) Interest accrued but not due	0	0			0
Total (i+ii+iii)	294649569	48843496	0	0	343493065

VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-Time Director and/or Manager:

S.No.	Particulars of Remuneration	Name	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	
	(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 Shares		
4	Commission		
	- as %		
	- others		
5	Others		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors:

S.No.	Particulars of Remuneration	Name of Director	Total Amount
1	Independent Directors		
	*Fee for attending Board Committee Meetings	NIL	
	-Commission		
	-Others		
	Total (1)		
2	Other Non-Executive Directors		
	*Fee for attending Board Committee Meetings		
	-Commission		
	-Others		
	Total (2)		
	Total (B) (1) + (2)		
	Total Managerial Remuneration (A + B)		
	Overall Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD

S.No.	Particulars of Remuneration	Name of Key Managerial Person	Total Amount
		V Satish Kumar	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,80,000	7,80,000
	(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 Shares		
4	Commission		
	- as %		
	- others		
5	Others		
	Total	7,80,000	7,80,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil

ANNEXURE-VI
FORM NO. AOC-2
(Pursuant to clause (b) of sub-clause (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis							
Name(s) of the related party and nature of relationship.	Nature of contracts/arrangements/ transactions.	Duration of the contracts/ arrangements/ transactions.	Salient terms of the contracts or arrangements or transactions including the value, if any.	Justification for entering into such contracts or arrangements	Date(s) of approval by the Board.	Amount paid as advances, if any.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Details of contracts or arrangements or transactions at arm's length basis					
Name(s) of the related party and nature of relationship.	Nature of contracts/arrangements/ transactions.	Duration of the contracts/arrangements/ transactions.	Salient terms of the contracts or arrangements or transactions including the value, if any.	Date(s) of approval by the Board.	Amount paid as advances, if any.
Sri Sai health Care Product	Rendered service	FY 2015-16	14,28,448	kl	-
Sri Sai Gravure Prints	Rendered service	FY 2015-16	23,24,385	14-Aug-15	-
Total			37,52,833		

SANGAM HEALTH CARE PRODUCTS LIMITED**Balance Sheet as at 31st March 2016****(in Rupees)**

	Note No.	As at 31st March 2016	As at 31st March 2015
SOURCES OF FUNDS			
Shareholders' Funds :			
(a) Share capital	2	148,607,000	148,607,000
(b) Reserves and surplus	3	(333,534,997)	(318,148,946)
		<u>(184,927,997)</u>	<u>(169,541,946)</u>
Non-current liabilities			
(a) Long-term borrowings	4	27,81,30,667	259,286,000
(b) Long-term provisions	5	7,976,453	6,135,556
		<u>286,107,120</u>	<u>2,65,421,566</u>
Current liabilities			
(a) Short-term borrowings	6	82,739,131	94,363,047
(b) Trade Payables	7	-	-
Dues to Micro and Small Enterprises		-	-
Dues to Others		76,176,237	55,564,967
(c) Other current liabilities	8	66,565,111	77,681,261
(d) Short-term Provisions	9	598,706	2,236,019
		<u>226,079,185</u>	<u>229,845,294</u>
TOTAL		<u>327,258,307</u>	<u>325,724,914</u>
ASSETS			
Non-current assets			
(a) Fixed assets			
Tangible assets	10	226,258,430	2,39,378,029
(b) Long-term loans and advances	11	13,278,894	10,538,610
		<u>239,537,324</u>	<u>2,49,916,639</u>
Current assets			
(a) Inventories	12	68,475,956	7,0053,012
(b) Trade receivables	13	1,345,948	2,563,267
(c) Cash and cash equivalents	14	17,553,912	2,739,845
(d) Short-term loans and advances	15	345,167	452,151
		<u>87,720,983</u>	<u>75,808,275</u>
TOTAL		<u>327,258,307</u>	<u>325,724,914</u>
See accompanying notes for the financial statements	1		

As per our Report of even date
for **JAYANT & SADASHIV**
Chartered Accountants
Firm Reg. No. : 001297S

For and on behalf of the Board of Directors
SANGAM HEALTH CARE PRODUCTS LIMITED

Jayant Palnitkar
Partner

Bala Gopal Addepalli
Managing Director

Ramana Ghanakota
Director

V. Satish Kumar
C.F.O.

Membership No: 020851

DIN No. 01712903

DIN No. 07067685

PAN: ACLPV7670E

Place : Hyderabad

Date : 16.05.2016

SANGAM HEALTH CARE PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT (in Rupees)

	Note No.	For the year ended	
		31st March 2016 Rs.	31st March 2015 Rs.
Revenue from operations	16	231,637,279	251,719,590
Other income	17	2,747,792	47,528,398
Total Revenue		234,385,071	299,247,988
Expenses:			
Cost of materials consumed	18	103,360,248	122,860,231
Changes in inventories of finished goods and work-in-progress	19	(6,338,887)	(44,587,913)
Employee benefits expense	20	44,075,490	40,610,884
Finance costs	21	37,999,850	54,582,153
Depreciation & Amortization Expenses	22	15,256,228	15,123,809
Other expenses	23	55,418,193	92,804,980
Total expenses		249,771,122	281,394,144
(Loss)/Profit for the year		(15,386,051)	17,853,844
Earnings per equity share:	1. VI		
(1) Basic		(1.04)	1.20
(2) Diluted		(1.04)	1.20
Weighted average number of equity shares (Face Value of Rs. 10 each)		14860700	14860700
The accompanying notes are an integral part of these financial statements	1		

As per our Report of even date
for **JAYANT & SADASHIV**
Chartered Accountants
Firm Reg. No. : 001297S

For and on behalf of the Board of Directors
SANGAM HEALTH CARE PRODUCTS LIMITED

Jayant Palnitkar
Partner
Membership No: 020851

Bala Gopal Addepalli
Managing Director
DIN No. 01712903

Ramana Ghanakota
Director
DIN No. 07067685

V. Satish Kumar
C.F.O.
PAN: ACLPV7670E

Place : Hyderabad
Date : 16.05.2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

A. CASH FROM OPERATING ACTIVITIES	31.03.16	31.03.15
(Loss)/Profit before tax and extraordinary items	(15,386,051)	17,853,844
Adjustment for		
- Depreciation	15,256,228	15,123,809
- Interest & Financial charges	37,999,850	54,582,153
- Interest received	(2,747,792)	(47,528,398)
Operating profit before working capital changes	35,122,235	40,031,408
Adjustment for		
- Trade & Other receivables	1,217,319	30,736,803
- Inventories	1,577,056	(49,617,686)
- Trade & others Payable	9,495,120	27,314,187
- Short Term Loans & Advances	106,984	(123,572)
- Short Term Borrowings & Provisions	(13,261,229)	(161,768,482)
Cash flow before extraordinary items	34,257,485	(113,427,342)
- Interest paid	(37,999,850)	(545,82,153)
- Taxes paid	-	-
Net Cash flow before extraordinary items	(3,742,365)	(168,009,495)
- Extraordinary & Prior period items	-	-
NET CASH FROM OPERATING ACTIVITIES	(3,742,365)	(168,009,495)
B. CASH FROM INVESTING ACTIVITIES:		
Purchase of Fixed assets	(2,136,633)	(435,044)
Interest Received	2,747,792	47,528,398
Long Term Loans & Advances	(2,740,284)	-
NET CASH FROM INVESTING ACTIVITIES	(2,129,125)	47,093,354
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	18,844,667	175,210,258
Long Term Provisions	1,840,887	(53,039,381)
NET CASH FROM FINANCING ACTIVITIES	20,685,554	122,170,877
NET INCREASE IN CASH & CASH EQUIVALENTS	14,814,066	1,254,736
Opening Cash and cash equivalents	2,739,845	1,485,109
Closing Cash and Cash equivalents	17,553,911	2,739,845

As per our Report of even date
for **JAYANT & SADASHIV**
Chartered Accountants
Firm Reg. No. : 001297S

For and on behalf of the Board of Directors
SANGAM HEALTH CARE PRODUCTS LIMITED

Jayant Palnitkar
Partner
Membership No: 020851

Bala Gopal Addepalli
Managing Director
DIN No. 01712903

Ramana Ghanakota
Director
DIN No. 07067685

V. Satish Kumar
C.F.O.
PAN: ACLPV7670E

Place : Hyderabad
Date : 16.05.2016

SANGAM HEALTH CARE PRODUCTS LIMITED

1 NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

(All amounts are in Indian Rupees except share data and where otherwise stated)

2 SHARE CAPITAL

PARTICULARS	31st March '16	31st March '15
Authorised Capital 15,000,000 Equity shares of Rs. 10/- each (March 31, 2015, 15,000,000 Shares of Rs.10 each)	150,000,000	150,000,000
Issued, Subscribed & Paid-up capital 14,860,700 Equity shares of Rs. 10/- each fully paid up (March 31, '15, 14,860,700 Equity Shares of Rs.10 each)	148,607,000	148,607,000
Total	148,607,000	148,607,000

- 2.1 The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share.
- 2.2 Rights, preferences and restrictions attached to shares : Equity Shares The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- 2.3 There is no Change in the Shares outstanding at the beginning and at the end of the reporting date and immediately preceding reporting date.
- 2.4 The details of shareholder holding more than 5% equity shares :

Name of the Share Holder	31 March '16		31 March '15	
	Number	% of holding	Number	% of holding
M/s. Boin Medica Co Ltd	1,240,260	8.35	1,240,260	8.35
Addepalli Balagopal	3,001,000	20.19	3,001,000	20.19
D.V.S.Sharma	2,500,000	16.82	2,500,000	16.82
G.Ramana	2,255,140	15.18	2,255,140	15.18
G.Padma	2,000,000	13.46	2,000,000	13.46

- 2.5 The reconciliation of the number of equity shares outstanding is set out below;

Particulars	31 March '16		31 March '15	
	Number	-	Number	-
Shares outstanding at the beginning of the year	14,860,700	14,860,700	14,860,700	14,860,700
Issued during the year	--	--	--	--
Shares issued during the reporting year	--	--	--	--
Shares outstanding at the end of the year	14,860,700	14,860,700	14,860,700	14,860,700

3 RESERVES & SURPLUS

Particulars	31st March '16	31st March '15
Revaluation Reserve	77,001,003	77,001,003
Surplus / (deficit) balance in the statement of profit and loss account		
Balance as per last financial statements	(395,149,949)	(412,781,017)
(Loss)/Profit for the year	(15,386,051)	17,853,844
Less : Transitional provision for depreciation change	-	(222,776)
TOTAL	(333,534,997)	(318,148,946)

4. Long term borrowings

	Non current portion	
	31 March '16	31 March '15
Term Loan		
from banks	217,372,098	240,635,118
Deferred payment liabilities		
Interest free Sales Tax deferral loan from state government	11,915,073	16,650,882
Unsecured loans		
Borrowings from Individuals other than Bank (Ref. Note No. 4.2)	48,843,496	2,000,000
Total	278,130,667	259,286,000
The above amount includes		
Secured borrowings	217,372,098	240,635,118
Unsecured borrowings	60,758,569	18,650,882
	278,130,667	259,286,000

Note 4.1

Term Loans for Syringe project have been sanctioned by a consortium of State Bank of Hyderabad and State Bank of Mysore

Terms of borrowings are as under :

- i) First charge over Fixed Assets of the Company for both present and future to the extent of Bank finance by respective banks.
- ii) Extension of first charge on all the current assets of the Company to SBH and extension of second charge to SBM.
- iii) Extension of charge on all the collateral securities offered to working capital limits.
- iv) Extension of Equitable mortgage of Factory Land admeasuring 9 acres and 12 guntas in survey nos.182/b, 175/c at Yellampet village, Medchal Mandal, Ranga Reddy District standing in the name of Company.
- v) And further guaranteed by promoter directors of the Company in their personal capacity.

- vi) Equitable mortgage of house property situated at H No: 6-3-662, Panjagutta, Hyderabad offered by Mrs. Padma and Mrs Ramana, Directors of the Company and Mrs. Vimala (mother of Mrs. Padma and Mrs. Ramana) towards the credit facilities availed by the Company of Rs. 31.23 crores (Credit limits already increased from Rs.29.74 cr to Rs.31.23 cr)
- vii) Term Loan is treated as NPA by the SBM since there has been no repayment from 2012 onwards. Total Default for FY 2015-2016 is Rs. 257.1 Lakhss to State bank of Mysore.

Term Loans from Banks	Repayment Schedule (Rs.)
Rate of Interest	2016-17
State Bank of Mysore - 15.50%	25,710,000
State Bank of Hyderabad - 13.50%	27,300,000

Note 4.2

Particulars	Non-Current	
	31 March '16	31 March '15
Ghanakota Ramana	100,000	-
Dr. D.V.S. Sharma	2,100,000	2,000,000
A. Balagopal	39,812,500	-
DVS Krishna Teja	2,950,996	376,640
Saswata Gupta	3,880,000	-

5. Long Term Provisions

	Non-Current	
	31 March '16	31 March '15
Provision for employee benefit		
Provision for Gratuity	79,76,453	6,135,566
Total	79,76,453	6,135,566

6. Short Term borrowings

Particulars	31 March '16	31 March '15
Loans Repayable on Demand		
Cash Credit from Banks (Refer Note 6.1 below)	4,99,77,471	62,237,196
Term Loan		
From Bank	27,300,000	27,300,000
Deferred Payment Liabilities		
Interest free Sales Tax deferral loan from state government	54,61,660	4,825,851
Total	8,27,39,131	94,363,047
The above amount includes		
Secured borrowings	7,72,77,471	89,537,196
Unsecured borrowings	54,61,660	4,825,851
Total	82,739,131	94,363,047

6.1 Note: State Bank of Hyderabad, Himmatnagar Branch, Secunderabad has provided the Company with Working Capital facilities, which are secured by first charge on the current assets of the Company (both present and future).

7. Trade Payables

Particulars	31 March '16	31 March '15
Trade Payables		
Dues to Micro and Small Enterprises	-	-
Dues to Others	76,176,237	55,564,967
Total	76,176,237	55,564,967

As at March, 2016 there are not outstanding dues to Micro and Small Enterprises. There are no interests due or outstanding on the same.

8. Other current liabilities

Particulars	31 March '16	31 March '15
Advances From customers	45,361,835	55,698,098
Hire purchase loan	-	74,512
Salaries and Wages payable	3,014,776	3,386,850
Provident fund payable	8,414,166	5,583,945
ESI contribution payable	526,189	859,567
Bonus payable	1,146,114	886,055
Electricity Charges Payable	1,970,202	2,325,476
Other Expenses Payable	4,953,519	7,922,683
Security Deposit	240,000	300,000
Taxes Payable		
- Sales tax payable	-	165,875
- Professional tax payable	13,000	10,490
- TDS payable	198,865	333,361
- Excise duty payable	296,895	105,781
- Service Tax Payable	429,550	28,568
Total	66,565,111	77,681,261

9. Short Term Provisions

Particulars	31 March '16	31 March ' 15
Provision for employee benefit		
Provision for Gratuity	598,706	2,236,019
Total	598,706	2,236,019

10. Tangible Assets

	Gross Block			Depreciation			Net Block				
	As at 1-04-2015	Additions	Deletions/ Adjustments	Total	As at 1-04-2015	For the Year	Adjustment Ref note 3(e)	Deletions/ Adjustments	Total	As at 31-03-2016	As at 31-03-2015
	Land	79,050,000	-	-	79,050,000	-	-	-	-	-	79,050,000
Buildings	60,760,342	1,271,813	-	62,032,155	19,413,772	1,662,625	-	-	21,076,397	40,955,758	41,346,570
Plant & Machinery	267,438,760	707,116	-	268,145,876	156,175,920	11,748,130	-	-	167,924,050	100,221,826	111,262,840
Electrical Installations	19,425,551	-	-	19,425,551	15,063,880	965,027	-	-	16,048,908	33,76,643	4,361,671
Lab Equipments	8,059,382	27,000	-	80,86,382	50,85,632	651,697	-	-	5,737,329	2,349,053	2,973,750
Computers	1,739,706	130,700	-	1,870,406	1,642,319	76,482	-	-	1,718,801	151,605	97,387
Office Equipment	1,441,408	-	-	1,441,408	1,381,292	43,288	-	-	1,424,580	16,828	60,116
Furniture & Fixtures	2,586,171	-	-	2,586,171	2,422,094	88,979	-	-	25,11,073	75,098	164,077
Vehicles	3,447,411	-	-	3,447,411	3,385,792	-	-	-	3,385,792	61,619	61,619
Total	443,948,731	2,136,629	-	446,085,360	204,5,70,702	15,256,228	-	-	219,826,930	22,62,58,430	239,378,029
Previous Year	443,513,687	435,044	-	443,948,731	189,224,117	15,123,809	222,776	-	204,570,702	239,378,029	254,289,570

11. Long term loans & advances

Particulars	Non-Current portion	
	31 March '16	31 March '15
Unsecured, considered good :		
Security deposits		
Deposits with Government Authorities	3,967,909	3,967,909
Deposits wit Others	3,136,401	425,039
Other loans and Advances		
Balance with statutory / government authorities		
MAT Credit	5,801,940	5,801,940
TDS Receivable	372,644	343,722
Total	13,278,894	10,538,610

12. Inventories (valued at lower of cost or net realizable value)

Particulars	31 March '16	31 March '15
Raw Material	3,426,533	11,644,722
Packing Material	4,754,226	4,982,001
Work In Process	56,393,093	51,045,556
Finished Goods	2,860,149	1,868,799
Consumables & Stores and Spares	1,041,955	511,934
Total	68,475,956	70,053,012

13. Trade receivables

Particulars	31 March '16	31 March '15
Debts outstanding for a period exceeding six months		
Unsecured		
Considered good	-	-
Others Dues		
Unsecured		
Considered good	1,345,948	2,563,267
Total	1,345,948	2,563,267

14. Cash and cash equivalents

Particulars	Current Portion	
	31 March '16	31 March '15
Cash and cash equivalent		
Balance with banks		
In current account	17,535,191	2,723,521
Cash on hand	18,720	16,324
Total	17,553,911	2,739,845

15. Short Term Loans and Advances

Particulars	Current Portion	
	31 March '16	31 March '15
Unsecured, considered good :		
Balance with statutory / government authorities		
VAT Receivable	85,379	-
Interest Receivable	226,012	251,009
Other Balances	33,776	201,142
Total	345,167	452,151

16. Revenue from operations

Particulars	31 March '16	31 March '15
Sale of Products	251,045,918	269,943,133
Less : Excise Duty	13,884,597	15,476,820
Less : VAT / Sales Tax	5,524,042	2,746,723
Total	231,637,279	251,719,590

Details of Products sold	31 March '16 Qty. in Nos.	31 March '15 Qty. in Nos.
1. IV Sets	20,854,530	20,559,712
2. Disposable Syringes	26,578,995	41,578,127
3. Others	3,174,280	3,064,880
Total	50,607,805	65,202,719

17. Other Income

Particulars	31 March '16	31 March '15
Interest	291,270	334,713
Excess Provisions made earlier written back	2,456,522	47,193,685
Total	2,747,792	47,528,398

18. Cost of material consumed

Particulars	31 March '16	31 March '15
Raw Materials' Consumption		
Opening stock	11,644,722	6,859,986
Add: Purchases	71,963,209	96,741,694
Freight and Octroi on Purchases	1,409,041	1,863,535
	85,016,672	105,465,215
Less : Closing stock	3,426,533	11,644,722
A	81,590,439	93,820,493
Packing Materials' Consumption		
Opening stock	4,982,001	4,528,279
Add: Purchases	15,661,518	22,892,988
Less : Closing stock	4,754,226	4,982,001
B	15,889,293	22,439,266
Consumables' Consumption		
Opening stock	511,934	720,619
Add: Purchases	6,410,537	6,391,787
Less : Closing stock	1,041,955	511,934
C	5,880,516	6,600,472
Total (A + B + C)	103,360,248	122,860,231

18.1 Details of raw material consumed

Particulars	31 March '16	31 March '15
List of major raw material		
S.S Tubes and Cannula	2,744,779	2,402,500
PVC Resin	14,072,789	16,178,870
ABS	14,187,612	11,526,485
DOP	7,366,903	10,472,500
Latex Bulbs	9,495,200	10,422,500
Poly Propylene	11,460,426	24,658,932
Others	22,262,730	18,158,706
Total	81,590,439	93,820,493

18.2 Value of Imported and domestic raw materials and their percentage to total consumption

Particulars	%	31 March '16	%	31 March '15
Imported	-	-	-	-
Indigenous	100	81,590,439	100	93,820,493
	100	81,590,439	100	93,820,493

19. Changes in inventories of finished goods and working process

Particulars		31 March '16		31 March '15
Opening balance				
- Finished goods	4,03,12,087		1,172,178	
- Work in progress	12,602,268	52,914,355	7,154,264	8,326,442
Closing balance				
- Finished goods	2,860,149		40,312,087	
- Work in progress	56,393,093	59,253,242	12,602,268	52,914,355
TOTAL		(63,38,887)		(44,587,913)

20. Employee benefit expenses

Particulars	31 March '16	31 March '15
Salaries, Wages, Bonus etc.	38,572,750	34,510,458
Contribution to P.F, E.S.I and Other Statutory Funds	4,676,555	3,010,866
Workmen and Staff Welfare Expenses	227,479	853,541
Gratuity Expenses	598,706	2,236,019
Total	44,075,490	40,610,884

21. Finance cost

Particulars	31 March '16	31 March '15
Interest expense		
On Term Loans	27,023,122	19,028,493
On Working Capital Loans	7,200,888	34,916,452
On Unsecured Loan	3,674,039	212,162
Bank Service Charges	101,801	425,046
	37,999,850	54,582,153

22. Other expenses

Particulars	31 March '16	31 March '15
Audit Fees	250,000	250,000
Consumptions of Store and Spares	2,540,758	1,575,778
Power and Fuel	15,499,866	18,241,036
Factory Maintenance	525,595	1,330,334
Insurance	551,298	434,889
Rates and Taxes	527,620	347,947
Security Charges	788,778	951,157
Travelling & Conveyance Expenses	551,192	329,666
Job Work Charges	11,243,950	10,136,798
Printing & Stationery	201,064	135,115
Computer Maintenance	19,040	164,547
Telephone Expense	247,287	387,876
Vehicle Maintenance	71,511	57,646
Other General Expenses	174,835	1,242,776
Testing Charges	3,852	1,407
Marketing Expenses	12,666,676	24,538,720
Carriage Outwards	8,831,575	9,291,609
Consultancy and Legal Charges	497,956	568,837
Office Maintenance	225,340	356,342
Bad Debt written off	-	22,462,480
Total	55,418,193	92,804,980

23. Remuneration to Auditors

Particulars	31 March '16	31 March '15
As Auditors		
Audit Fee	2,00,000	2,00,000
Tax Audit Fee	50,000	50,000
	250,000	250,000

24. Related Party disclosures

A. Name	Description
Sri Sai Healthcare Products	Partnership Concern in which Directors are Interested
Sri Sai Gravure Prints	Partnership Concern in which Directors are Interested
Sri Siri Constructions	Partnership Concern in which Directors are Interested

Key Management Personnel

A. Balagopal	Managing Director
V. Satish Kumar	Chief Financial Officer

B. The following transactions are carried out with the related parties in the course of business

Particulars	2015-16	2014-15
a. Remuneration to Key Management Personnel		
V. Satish Kumar	780,000	130,000
b. Loans Taken from Directors during the year		
Ghanakota Ramana	100,000	-
Dr. D.V.S. Sharma	100,000	2,000,000
A. Balagopal	43,058,705	-
c. Loans from Shareholders		
Saswata Gupta	3,880,000	-
DVS Teja Krishna	2,574,356	376,640
d. Loans Repaid to Directors during the year		
A. Balagopal	3,246,205	-
e. Job Work Charges from		
Sri Sai Healthcare Products	1,428,448	439,230.00
Sri Sai Gravure Prints	2,324,385	3,237,166

C. Balance Outstanding at the end of the Current Year

Particulars	2015-16	2014-15
Sri Sai Healthcare Products	-	439,230
Sri Sai Gravure Prints	4,521,594	3,237,166
Ghanakota Ramana	100,000	-
Dr. D.V.S. Sharma	2,100,000	2,000,000
A. Balagopal	39,812,500	-
DVS Krishna Teja	2,950,996	376,640
Saswata Gupta	3,880,000	-

As per our Report of even date
for **JAYANT & SADASHIV**
Chartered Accountants
Firm Reg. No. : 001297S

For and on behalf of the Board of Directors
SANGAM HEALTH CARE PRODUCTS LIMITED

Jayant Palnitkar Partner Membership No: 020851	Bala Gopal Addepalli Managing Director DIN No. 01712903	Ramana Ghanakota Director DIN No. 07067685	V. Satish Kumar C.F.O. PAN: ACLPV7670E
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Place : Hyderabad
Date : 16.05.2016

1. NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

COMPANY INFORMATION

Sangam Health Care Products Limited is promoted by Group of Doctors, the company manufactures and markets medical devices of highest quality to all parts of India under the brand name "SAFTI". SANGAM HEALTH CARE PRODUCTS LIMITED is one of the largest manufacturers of Medical Disposables/ Surgical products, whose products are used in many parts of India.

As a leading manufacturer of Medical Disposables, it contributes to the promotion of health and helps people in maintaining their health standards. The company is convinced that it shall create a new type of enterprise adequate to the changes of the new century, to cope with the conditions aggressively, including enhancing our international competitiveness.

The company is a public limited company incorporated in India and has its registered office at Hyderabad, Telangana, India.

I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0.00" in the relevant notes in these financial statements

b) Use of estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as at the date of the financial statements and reported amounts of income and expense during the year.

Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

c) Fixed assets

Tangible assets are stated at acquisition cost/ net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond

its previously assessed standard of performance. Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under "Other current assets". Any expected loss is recognised immediately in the Statement of Profit and Loss. Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss. Depreciation is provided on a pro-rata basis on the straight line method over the useful lives as prescribed under Schedule II to the Companies Act/ 2013 with the exception of the following: - plant and equipment is depreciated over 3 to 21 years based on the technical evaluation of useful life done by the management. - Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

d) Impairment of Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

e) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition

f) Revenue Recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates, sales taxes and excise duties (on goods manufactured and outsourced).

g) Foreign Exchange transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

h) Retirement Benefits

Provident Fund contributions are provided and charged to the **Profit and Loss** Account during the financial year.

Provision for Gratuity is made on the basis of actuarial valuation in accordance with AS-15 "Employee Benefits"

Leave Encashment benefit is accounted on payment basis.

Retirement age	58 years
Future Salary Rise	4%
Rate of Discounting	8%
Attrition Rate	1%
Mortality Table	LIC (2006-2008)

j) Taxes on Income

- No Provision for Income tax and Minimum alternate tax is made in the current year in view of computation of income and calculation as per Minimum alternate tax resulting in loss as per the provisions of Income Tax Act.
- Deferred tax is recognized on timing differences; being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to realize such assets.

2. Details of Opening Stock, Production, Turnover and Closing Stock of Finished Goods for the year 2015-16 (2014-15)

Sl. No.	Description Stock Qty	Opening Qty. Nos.	Value (Rs.)	Production Stock Qty.	Sales Qty. Nos.	Value (Rs.)	Closing Qty. Nos.	Value (Rs.)
1	IV Sets	60,438 (36,100)	1,415,825 (252,700)	20,883,592 (20,584,050)	20,854,530 (20,559,712)	196,543,107 (177,618,426)	89,500 (60,438)	1,489,388 (1,415,825)
2	Syringes	143,320 (6,110,400)	220,822 (735,450)	26,827,475 (35,611,047)	26,578,995 (41,578,127)	39,971,705 (60,480,265)	391,800 (143,320)	654,641 (220,822)
3	Others	40,000 (1,474,436)	232,152 (184,028)	3,254,588 (1,630,444)	3,174,280 (3,064,880)	14,531,106 (31,844,442)	120,308 (40,000)	716,120 (232,152)

3. Details of Raw Material Consumed

Description	Raw material		31.03.2016	Raw material	
	UOM	31.03.2016	Value	31.03.2015	Value
		Qty		Qty.	
ABS	Kgs	95,675	14187612	66,765	11526485
D.O.P	Kgs	91,800	7366903	1,00,000	10472500
LATEX BULB	Nos.	1,79,50,000	9495200	1,89,50,000	10422500
POLYPROPYLENE	Kgs	1,40,000	11460426	2,38,950	24658932
CANNUALE / S.S.TUBE	Mtrs.	18,80,000	2744779	14,75,000	2402500
PVC	Kgs	2,07,300	14072789	2,14,607	16178870
OTHERS			22262730		18158706
TOTAL			81590439		93820493

4. Provisions and Contingent Liabilities:

A provision is recognized if, as a result of past event, the company has a present obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made below as contingent liability.

	As on 31.03.16	As on 31.03.15
Bank Guarantees	Nil	Nil
Amount in respect of Provident Fund as Interest & Penalty	5.10	5.10

5. The details of micro and small enterprises units to whom the Company owes a sum exceeding Rupees one lakh which is outstanding for more than 30 days as on the date of Balance sheet : NIL

6. Earnings per share

Basic earnings per share is calculated by dividing the net loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares

7. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents comprise cash and cash-on-deposit with banks.

8. Cash Flow Statements

Cash flows are reported using the indirect method, where by profit / (Loss) before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

9. Balances of certain debtors, creditors, loans and advances, unsecured loans, receivables and payables are subject to confirmation and reconciliation and consequential adjustment in the accounts.

10. Previous year figures have been regrouped / rearranged wherever necessary to confirm to the current year's grouping / classification.

11. Schedules "1 to 22" annexed to the Balance Sheet and Profit and Loss Statement form part of accounts.

As per our Report of even date
for **JAYANT & SADASHIV**
Chartered Accountants
Firm Reg. No. : 001297S

For and on behalf of the Board of Directors
SANGAM HEALTH CARE PRODUCTS LIMITED

Jayant Palnitkar
Partner
Membership No: 020851

Bala Gopal Addepalli
Managing Director
DIN No. 01712903

Ramana Ghanakota
Director
DIN No. 07067685

V. Satish Kumar
C.F.O.
PAN: ACLPV7670E

Place : Hyderabad
Date : 16.05.2016

C E R T I F I C A T E

We have examined the enclosed Cash Flow statement of M/s SANGAM HEALTH CARE PRODUCTS LIMITED for the year ended 31st March, 2016. The statement has been prepared by the Company in accordance with the requirements of clause 32 of Listing Agreements with the Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company, covered by our Report of even date to the Members of the Company.

For Jayant & Sadashiv
Chartered Accountants
Firm Reg.No : 001297S

Jayant Palnitkar
Partner
Membership No.20851

Place: Hyderabad
Date: 16-05-2016.

SANGAM HEALTH CARE PRODUCTS LIMITED

22nd ANNUAL GENERAL MEETING

**205 & 206, AMARCHAND SHARMA COMPLEX
SP ROAD, SECUNDERABAD – 500003**

ATTENDANCE SLIP

Date

30/09/2016

Venue

Flat No. 205 & 206,
Amarchand Sharma Complex,
S.P. Road, Secunderabad - 500003.

Time

3.00 p.m.

DP ID : _____

Folio No. / Clients ID : _____

No. of Shares : _____

Name and Address of the First / Sole Shareholder :

I certify that I am a registered shareholder of the Company; holding above mentioned shares in the Company, and hereby record my presence at the 22nd Annual General Meeting of the Company.

Member's/Proxy signature

- Note: a. Only Member / Proxy can attend the Meeting. No minors would be allowed at the Meeting.
b. Member/Proxy holder who wish to attend the meeting must bring the Admission Slip and hand over at the entrance duly signed.
c. Member/Proxy should bring his/her copy of the Annual Report for reference at the Meeting.

22nd Annual General Meeting
SANGAM HEALTH CARE PRODUCTS LIMITED

CIN : L24230TG1993PLC016731

205 & 206, Amarchand Sharma Complex, S P Road, Secunderabad – 3.

Tel : 040 27719551. Email: sangamlisting@gmail.com.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature, or failing him

2. Name:

Address:

E-mail Id:

Signature, or failing him

3. Name:

Address:

E-mail Id:

Signature, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual general meeting of the company, to be held on the 30th day of September 2016 at 3.00 p.m. at Regd. Office : 205 & 206, Amarchand Sharma Complex, S P Road, Secunderabad – 3. and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Particulars	For	Against
	ORDINARY BUSINESS:		
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2016 and the Reports of the Directors and Auditors thereon		
2.	To re-appoint Mrs. Padma Ghanakota (DIN : 07078176), who retires by rotation, and being eligible offers herself for the re-appointment		
3.	To ratify the continuation of the Statutory Auditors M/s. Jayant & Sadashiv		

Signed this..... day of..... 2016



Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

NOTES:

- a. Only Member/Proxy can attend the Meeting. No minors would be allowed at the Meeting.
- b. Member/Proxy who wish to attend the Meeting must bring this attendance slip to the Meeting and hand over at the entrance duly filled in and signed.
- c. Member/Proxy should bring his/her copy of the Annual Report for reference at the Meeting.

BOOK POST

IF UNDELIVERED, PLEASE RETURN TO :

SANGAM HEALTH CARE PRODUCTS LTD.

205 & 206, Amar Chand Sharma Complex,

S.P. Road, Secunderabad - 500 003.