

To,

Date: 07.09.2019

BSE Limited  
P. J. Towers, Dalal Street  
Mumbai - 400 001

Dear Sir/ Madam,

Sub: Annual report for the year 2018-19

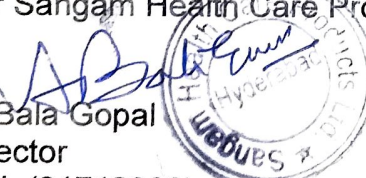
Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) 2015

With reference to the subject cited, please find enclosed Annual report of the Company for the year 2018-19 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as sent to the shareholders for the ensuing AGM to be held on 30.09.2019.

This is for the information and records of the exchange, please.

Thanking you.

Yours faithfully,  
For Sangam Health Care Products Limited

  
A. Bala Gopal  
Director  
DIN: (01712903)

Encl. as above



**SANGAM HEALTH CARE  
PRODUCTS LIMITED**

*Disposable Medical Devices  
An ISO 9001:2008 Company*

**25<sup>th</sup> ANNUAL REPORT  
2018-19**

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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](mailto: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:**

Mr. Bala Gopal Addepalli	-	Chairman and Managing Director (DIN: 01712903)
Mrs. PadmaGhanakota	-	Director (DIN: 07078176)
Mr. L. S .Patil	-	Director (DIN: 00731663)
Mr. Khushwant Singh	-	Independent Director (DIN: 00500962)
Mr. Rajesh Kakkera	-	Independent Director (DIN: 07931218)
Mr. Ramu Chaganti	-	Independent Director (DIN: 07931223)
Mr. Madhavarao Mandalapu	-	Independent Director (DIN: 07931672)
Mr. Suresh Adoni	-	Additional Director
Mr. D.V.S Krishna Teja	-	Director

### **CHIEF FINANCIAL OFFICER :**

Mr. Satish Kumar Varre

### **REGISTERED OFFICE:**

205 & 206, Amarchand Sharma  
Complex, S.P. Road, Secunderabad – 500002  
Telangana, India

### **FACTORY-I:**

Survey No.182, Yellampet Village,  
MedchalMandal, MedchalDistrict, Telangana-501401

### **FACTORY-II:**

Survey No.189/A, Durshed Village  
Karimanagar District-505001

### **STATUTORY AUDITORS:**

M/s K.R. Shekher  
Chartered Accountants  
Hyderabad.

### **SECRETARIAL AUDITOR:**

Ms. Aakanksha,  
Practicing Company Secretary,  
Plot No. 8-2-603/23/3 & 8-2-603/23, 15,  
2nd Floor, HSR Summit, Banjara Hills, Road No. 10,  
Beside No. 1 News Channel office, Hyderabad – 500034

**BANKERS:**

Kotak Mahindra Bank  
S.P. Road,  
Secunderabad.

**AUDIT COMMITTEE:**

Mr. Khushwant Singh	-	Chairman
Mr. Rajesh Kakkera	-	Member
Mr. Bala Gopal Addepalli	-	Member

**NOMINATION & REMUNERATION COMMITTEE:**

Mr. Khushwant Singh	-	Chairman
Mr. Rajesh Kakkera	-	Member
Mrs. PadamGhanakota	-	Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Mr. Khushwant Singh	-	Chairman
Mr. RamuChaganti	-	Member
Mr. Bala Gopal Addepalli	-	Member

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Mr. Khushwant Singh	-	Chairman
Mr. RamuChaganti	-	Member
Mr. Bala Gopal Addepalli	-	Member

**REGISTRAR & 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

**LISTED AT : BSE LTD.**

**ISIN :**

INE431E01011

**WEBSITE:**

[www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in)

**INVESTOR E-MAIL ID:** [sangamlisting@gmail.com](mailto:sangamlisting@gmail.com)

**CORPORATE IDENTITY NUMBER:** L24230TG1993PLC016731

## **NOTICE**

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the Shareholders of Sangam Health Care Products Limited will be held on Monday, the 30<sup>th</sup> day of September 2019 at 02.00 P.M. at the registered office of the company at 205, 206, Amarchand Sharma Complex, S.P. Road, Secunderabad – 500002, Telangana, India to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mrs. Padma Ghanakota (holding DIN: 07078176), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Mr. M. Rama Krishna, Chartered Accountant, as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and provisions of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and based on the recommendations of the Audit Committee and of the Board, the appointment of Mr. M. Rama Krishna, Chartered Accountant, (M.N. No. 207169), be and is hereby appointed as Statutory Auditors of the Company in place of the existing auditors M/s. K Shekher & Co., Chartered Accountants, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company to be held in the year 2024, at such remuneration and other terms as specified in the explanatory statement approved by the Board of Directors of the Company, on the recommendations of the Audit Committee of the Company.

“RESOLVED FURTHER THAT Mr. Bala Gopal Addepalli, Chairman & Managing Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

### **SPECIAL BUSINESS:**

3. **APPOINTMENT OF MR. BALA GOPAL ADDEPALLI AS MANAGING DIRECTOR OF THE COMPANY:**

To consider 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 Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to appoint Mr. A. Bala Gopal Addepalli, (DIN: 01712903) as the Managing Director of the Company for a period of three years with effect from 29.06.2019 to 28.06.2022 and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc., within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time if any.”

**“RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. A. Bala Gopal remuneration by way of salary and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time if any”.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

**5. RE-APPOINTMENT OF MR. KHUSHWANT SINGH AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘Listing Regulations’), Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors, Mr. Khushwant Singhi (DIN : 00500962) whose current period of office expires on 29<sup>th</sup> September, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and whose term shall not be subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years on the Board of the Company w.e.f. 30th September, 2019 up to 29th September, 2024.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**For and on behalf of the Board of  
Sangam Health Care Products Limited**

**Place: Hyderabad  
Date: 14.08.2019**

**Sd/-  
Bala Gopal Addepalli  
Chairman & Managing Director  
(DIN: 01712903)**

**NOTES:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. In pursuance of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, details in respect of the Directors seeking appointment/ re-appointment at the AGM, form part of this Notice.
4. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2019 to 30.09.2019 (Both days inclusive).



5. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
7. Institutional/Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
9. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in demat mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their demat account and Members holding shares in physical mode are requested to submit the said bank details to the Company's Registrar & Share Transfer Agent.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) and Aadhar Number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN and Aadhar details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN and Aadhar details to the Company/Registrar and Share Transfer Agents (XL Softech Pvt. Ltd.)
11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

12. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
13. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s. XL Softech Pvt. Ltd., Share Transfer Agents of the Company for their doing the needful.
14. Members are requested to send their queries at least 7 days before the date of meeting so that information can be made available at the meeting.
15. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission/transposition, Demat /Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
16. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
17. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.
18. Electronic copy of the Annual Report for 2018-2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-2019 is being sent in the permitted mode.

19. Members may also note that the Notice of the 25<sup>th</sup> Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [sangamlisting@gmail.com](mailto:sangamlisting@gmail.com).
20. In terms of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019 except in case of requests received for transmission or transposition of securities.

**21. Voting through electronic means:**

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited.

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 27.09.2019 (09.00 am) to 29.09.2019 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24.09.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently.

A person who has acquired shares & become a member of the company after the dispatch of notice of AGM & holding shares as of cut-off date, may obtain the login ID & password by sending a request at [sangamlisting@gmail.com](mailto:sangamlisting@gmail.com). However, if the person is already registered with the CDSL for remote e-voting then the existing user ID & password can be used for casting vote.

**The instructions for shareholders voting electronically are as under:**

- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Click on Shareholders.
- iii. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - a. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. 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> <p>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.</p> <p>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.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).</p>

- viii. After entering these details appropriately, click on "SUBMIT" tab.\
- ix. 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.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <**Sangam Health Care Products Limited**> on which you choose to vote.
- xii. 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.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. 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](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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 uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 22. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 24.09.2019.

23. Ms. Aakanksha, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in accordance with the law.
24. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
25. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company .
26. Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank account details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio. Further, as per the said circular all the unclaimed/ unpaid dividends also will be paid via electronic bank transfers only. Hence, the shareholders are requested to update their PAN and bank details.
27. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. A note on procedure to be followed for dematerialization of physical shareholding and benefits out of it is uploaded on the company's website <http://www.sangamhealthcare.co.in>.
28. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/ uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

**For and on behalf of the Board of  
Sangam Health Care Products Limited**

**Sd/-**

**Bala Gopal Addepalli  
Chairman & Managing Director  
(DIN: 01712903)**

**Place: Hyderabad  
Date: 14.08.2018**

**EXPLANATORY STATEMENT**  
**[Pursuant to Section 102 of the Companies Act, 2013]**

**ITEM No. 3:**

**Profile of Auditor:**

Mr. M. Rama Krishna, Chartered Accountant, have conveyed their consent to be appointed as the Statutory Auditors of the company along with the confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Companies Act, 2013.

Considering the above and their eligibility to be appointed as the statutory auditor for term of five (5) years under the applicable provisions of Guidelines issued by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the Board of Directors, based on the recommendation of the Board Audit Committee, had approved the appointment of Mr. M. Rama Krishna, Chartered Accountant, as a statutory auditor for term of five (5) years.

In terms of requirements of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended effective April 1, 2019, details of proposed remuneration and credentials of the Statutory Auditors are provided below:

a) It is proposed to pay remuneration of Rs.2,00,000/- (Rupees Two Lakhs per annum) towards statutory audit, quarterly standalone and consolidated financial results and limited review reports along with the issuance of certificates in accordance with guidelines laid down by SEBI and Companies Act, 2013 for financial year 2019-20 plus applicable taxes along with out-of-pocket expenses and such remuneration and expenses thereafter as may be mutually agreed between the Company and the said Statutory Auditors. There is no material change in the fees payable to Mr. M. Rama Krishna, Chartered Accountant, from the fees paid to outgoing Auditors M/s. K Shekher & Co., Chartered Accountants.

b) Mr. M. Rama Krishna, Chartered Accountant, is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India with Firm registration Number 207169. The firm has presence in all over in India. The Firm provides range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory. The audit firm practice has significant experience in auditing listed and large multinational Companies

None of the Directors, Key Managerial Personnel and their relatives are in any way, interested or concerned in this resolution.

Your Board of Directors recommend to pass the resolution for appointment of Statutory Auditors, as an Ordinary Resolution as set out at item no. 3 of the Notice.

**ITEM NO 4:**

**APPOINTMENT OF MR. BALA GOPAL ADDEPALLI AS MANAGING DIRECTOR OF THE COMPANY:**

Mr. Bala Gopal Addepalli, (DIN: 01712903) was appointed as the Managing Director of the Company for a period of 3 years from 9<sup>th</sup>February 2018 to 8<sup>th</sup>February 2021 at the Annual General Meeting held on 29.09.2018.

However, Mr. Bala Gopal Addepalli's designation was changed from Managing Director to Promoter – Director – (Non-Executive) at the Board meeting held on 3<sup>rd</sup> May 2019 and subsequently once again he was re-designated as Managing Director of the company in its Board Meeting held on 29.06.2019.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 29.06.2019 approved the appointment of Mr. A. Bala Gopal, (DIN: 01712903) as Managing Director of the Company for a term of three years commencing from 29.06.2019 to 28.06.2022 the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time if any. At present he is not drawing any remuneration from the company.

Accordingly, the Board of Directors recommends the passing of the above resolution as an Ordinary Resolution set out in the item no. 4 of the notice.

Except Mr. Bala Gopal Addepalli Managing Director, being an appointee and Mrs. G. Padma, Director of the Company, Director of the Company being his relatives, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

#### Information in accordance with Schedule V of Companies Act, 2013

##### I. GENERAL INFORMATION:

- 1 Nature of Industry : Medical disposables
- 2 Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1994
- 3 In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable
- 4 Financial performance based on given indications

Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)
Turnover	2103.22	2088.90	2361.69
Net profit/loss after Tax	(202)	737	(685)

- 5 Foreign investments or collaborations, if any: Not Applicable

##### II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details: Aged about 51 years and earlier has a unit of manufacturing of IV Sets in the name of Sai Healthcare at Jeedimetla, Hyderabad. He used to supply IV Sets to Govt. of Andhra Pradesh. He is a commerce graduate.
2. Past Remuneration: Rs. 1,00,000 per month.
3. Recognition or awards : Not Applicable.
4. Job Profile and his suitability: Aged about 51 years and earlier has a unit of manufacturing of IV Sets in the name of Sai Healthcare at Jeedimetla, Hyderabad which used to supply IV Sets to Govt. of Andhra Pradesh. He is a commerce graduate. His experience would be of help for the growth and expansion of the Company.



5. Remuneration proposed:At present Mr. Bala Gopal Addepalli, Managing Director is not drawing any remuneration keeping in mind the interest of the company. Whenever any remuneration is drawn it should be within the limits prescribed in the Companies Act.
6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):At present Mr. Bala Gopal Addepalli, Managing Director is not drawing any remuneration keeping in mind the interest of the company. Whenever any remuneration is drawn it should be within the limits prescribed in the Companies Act.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:He holds 30,01,000 equity shares in the company. Mrs. Padma Ghanakota, Director of the Company is the spouse of Mr. Bala Gopal Addepalli.

**ITEM NO 5:**

**RE-APPOINTMENT OF MR. KHUSHWANT SINGH AS INDEPENDENT DIRECTOR OF THE COMPANY**

Mr.Khushwant Singh (DIN : 00500962)was appointed as Independent Director of the Company for a period of 5 years from 30th September 2014 to 29th September 2019 at the 20th Annual General Meeting held on 30th September 2014.

Mr.Khushwant Singh's term as an Independent Director of the company ends on 29.09.2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr.Khushwant Singh being eligible and offering himself for re-appointment as an Independent Director for five consecutive years w.e.f. 30th September 2019 to 29th September 2024. The Company has received a notice from a member under Section 160 of the Companies Act 2013 for appointment of Mr.Khushwant Singh for the office of Director in Independent category.

In the opinion of the Board, Mr.Khushwant Singh fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr.Khushwant Singh as an Independent Director based on the recommendation of nomination and remuneration committee.

Accordingly the Board of Directors recommends the passing of the above resolution as Special Resolution set out in the item no. 5 of the notice for appointment of Mr.Khushwant Singh

Save and except Mr.Khushwant Singh Independent Director, being an appointee, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

**For and on behalf of the Board of  
Sangam Health Care Products Limited**

**Place: Hyderabad  
Date: 14.08.2019**

**Sd/-  
Bala Gopal Addepalli  
Chairman & Managing Director  
(DIN: 01712903)**

**DIRECTORS' REPORT****To the Members,**

The Directors have pleasure in presenting before you the 25<sup>th</sup> Directors' Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2019. The Company's performance is summarized below:

**FINANCIAL SUMMARY/HIGHLIGHTS:**

The performance during the period ended 31<sup>st</sup> March, 2019 has been as under:  
(Rs. in lakhs)

<b>Particulars</b>	<b>2018-2019</b>	<b>2017-18</b>
Turnover/Income (Gross)	2103.92	2088.90
Other Income	4.03	1841.00
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	2107.96	1378.23
Less: Depreciation/ Amortisation/ Impairment	150.26	152.28
Profit /loss before Finance Costs, Exceptional items and Tax Expense	1957.70	1225.95
Less: Finance Costs	209.96	332.94
Profit /loss before Exceptional items and Tax Expense	1747.74	893.01
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	-	-
Less: Tax Expense (Current & Deferred)	15.26	155.64
Profit /loss for the year (1)	(202.80)	737.37
Total Comprehensive Income/loss (2)	(202.80)	0
Total (1+2)	(202.80)	737.37
Balance of profit /loss for earlier years	-	-
Less: Transfer to Debenture Redemption Reserve	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend paid on Preference Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	(4249.42)	(4046.61)

**REVIEW OF OPERATIONS:**

During the year under review, the Company has recorded an income of Rs. 2107.95 lakhs and Loss of Rs. **202.81 lakhs** for the financial year ending 31.03.2019 as against the income of Rs.3929.93 **lakhs** and Profit of Rs.**797.56** in the previous financial year ending 31.03.2018.

**MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes and commitments affecting financial position of the company between 31<sup>st</sup> March, 2019 and the date of Board's Report. (i.e. 14.08.2019)

**CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the period under review and the date of Boards' Report there was no change in the nature of Business.

**DIVIDEND:**

Keeping the Company's revival plans in mind, your Directors have decided not to recommend dividend for the year.

**REASON FOR SUSPENSION:**

The Company is under suspension on BSE due to penal reasons. However, the company under the new management lead by Mr. A. Bala Gopal, Managing Director of the Company has been working aggressively towards revoking the company from suspension. The Board assures that all due efforts are being made to revoke the company from suspension and so shall be done soon.

**TRANSFER TO RESERVES:**

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

**BOARD MEETINGS:**

The Board of Directors duly met 6 (Six) times on 07.05.2018, 30.05.2018, 14.08.2018, 15.10.2018, 06.11.2018,13.02.2019 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

**DEPOSITS FROM PUBLIC:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet. Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company has complied with this requirement for the financial year 2018-19.

**DEPOSITORY SYSTEM:**

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1<sup>st</sup>April 2019. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

**DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

**DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

**DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

**DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS, COURTS, TRIBUNALS, IMPACTING THE GOING CONCERN BASIS OF THE COMPANY:**

There were no significant material orders passed by regulators, courts, tribunals, impacting the going concern basis of the Company.

**CORPORATE GOVERNANCE:**

A Separate section titled "Report on Corporate Governance" along with the Auditor's Certificate on Corporate Governance as stipulated under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as a part of this Annual Report.

**VIGIL MECHANISM**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. In line with the Code of Conduct, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code of conduct cannot be undermined. Pursuant to Section 177(9) of the Act, a vigil mechanism was established for directors and employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chief Financial Officer of the Company for redressal.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management discussion and analysis report for the year under review as stipulated under Regulation 4(3) read with Schedule V, Part B of SEBI(Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is presented in a separate section forming part of the annual report.

**APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS /CEO/ CFO AND KEY MANAGERIAL PERSONNEL:**

- Mrs. Padma Ghanakota, was re-appointed at the 24<sup>th</sup> Annual General Meeting held on 29.09.2018 as director who retired by rotation and being eligible offered herself for re-appointment.
- Mr. Bala Gopal Addepalli's designation changed from Managing Director to Promoter – Director – (Non-Executive) at the Board meeting held on 3<sup>rd</sup> May 2019.

However, in the Board meeting held on 29.06.2019, he was then re-designated as Managing Director of the Company for a term of three years commencing from 29.09.2019 to 28.06.2022 subject to the approval of shareholders.

- Mr. Khushwant Singh was re-appointed as Independent Director of the company for a second term of 5 consecutive years subject to approval of the shareholders.
- Mr. Basawaraj Nagabusappa Sajjan, resigned as director w.e.f 07.05.2018. The Board places on record its sincere appreciation for the services rendered by them during his tenure as director of the Company.
- Mr. Suresh Adoni was appointed as Additional Director w.e.f 03.05.2019
- Mr. D.V.S Krishna Teja was appointed as Additional Director and Managing Director on 03.05.2019. Later he was redesignated as Director on 29.06.2019.

Pursuant to regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under:-

Name of the Director	Mr. Bala Gopal Addepalli	Khushwant Singh	Mrs. Padma Ghanakota
Date of Birth	25.08.1967	14.06.1956	17.08.1964
Date of Appointment	02.02.2015	04.02.2014	25.03.2015
Expertise in specific functional areas	Aged about 51 years and earlier has a unit of manufacturing of IV Sets in the name of Sai Healthcare at Jeedimetla, Hyderabad. He used to supply IV Sets to Govt. of Andhra Pradesh. He is a commerce graduate.	Dr Khushwant Singh is the Managing Director of Esha Hospital. He has done his MBBS, D.G.O., F.C.G.P. He is a gold medallist in MBBS and he is one of the very few practicing family physicians in Hyderabad. He is down to earth and prefers listening to the patient first and then treating them. He holds a distinction in PG (DGO) and he also holds Fellowship from the College of General Physicians (FCGP). A unique credit of treating more than 1000 Chikungunya cases also goes to him. He has conducted many CMEs of Hypertension and Diabetes Management.	She has 10 years of experience in manufacturing IV sets and manufacturing pouches. She is handling operations of manufacture of IV sets at her Jeedimatla unit, Hyderabad.
Qualifications	Commerce Graduate	M.B.B.S., D.G.O., F.C.G.P.	Commerce Graduate
Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships	-		-
Inter se relationship among Directors	Husband of Mrs Padma Ghanakota & relative of Mr. D.V.S. Krishna Teja		Wife of Mr. Bala Gopal Addepally & relative of Mr. D.V.S. Krishna Teja

**FORMAL ANNUAL EVALUATION / BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, board Committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

**EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report and on website of the company i.e., <http://www.sangamhealthcare.co.in/>

**AUTHORISED AND PAID UP CAPITAL OF THE COMPANY:**

The authorized capital of the Company stands at Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10/- each. The Subscribed, Issued and Paid-up capital of the Company stands at Rs. 14,86,07,000/- divided into 1,48,60,700 equity shares of Rs. 10/- each.

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received declarations from Mr. Khushwant Singh, Mr. Rajesh Kakkera, Mr. Ramu Chaganti, and Mr. Madhavarao Mandalapu, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (7) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.'

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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) 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) The Directors had prepared the annual accounts on a going concern basis;
- e) 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) 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.

**INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:**

The company does not have any subsidiaries/Associate companies.

**DETAILS IN REPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO CENTRAL GOVERNMENT.**

There were no frauds reported by the auditors as per section 143 (12).

**STATUTORY AUDITORS:**

The existing auditor M/s. K.R. Shekher & Co., resigned w.e.f. 14th August 2019 due to casual vacancy. Accordingly, the appointment of Mr. M. Ramakrishna, as a statutory auditors of the company, in place of existing auditors is placed for approval by the shareholders. The Auditors' Report for fiscal 2019 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the financial

statements in the Annual Report. The company has received Audit Report with unmodified opinion for standalone audited financial results of the company for the financial year ended March 31, 2019 from the statutory auditors of the company.

The Auditors have confirmed that they have subjected themselves to peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of ICAI.

The Board recommends the appointment of Chartered Accountant as statutory auditors of the company from the conclusion of this Annual General Meeting till the conclusion of the 30th Annual General Meeting.

#### **DISCLOSURE OF ACCOUNTING TREATMENT**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules.

#### **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Ms. Aakanksha, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit carried out is annexed as the part of the annual report.

#### **AUDIT REPORTS:**

##### **(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2019 and has noted that the company has made the arrears in payments of PF, ESI and TDS. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

##### **(b) Secretarial Audit Report:**

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and there are no qualifications in the report.

<b>Secretaries auditor observation</b>	<b>Reply by management</b>
i. Pursuant to the provisions of the Section 203(1) (ii) of the Companies Act, 2013 read with regulation 6 of SEBI (LODR) Requirements, 2015, the Company shall appoint company secretary as compliance officer. It was observed that Company Secretary was appointed w.e.f 16.10.2018 and was resigned w.e.f 17.05.2019.	Company is making all the continuous efforts to find the suitable incumbent.
ii. Pursuant to the provisions of the Section 138 of the Companies Act, 2013, the company shall appoint the internal auditor. However the Company has not complied with the requirement.	Company is making all the continuous efforts to find the suitable incumbent.



**INDIAN ACCOUNTING STANDARDS**

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company will adopt Indian Accounting Standards with effect from 01st April, 2017. The implementation of Indian Accounting Standards (IAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame. The impact of the change on adoption of said IAS is being assessed.

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

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

**A. Conservation of Energy:****CONSUMPTION PER UNIT OF PRODUCTION**

Product		
Medical Disposables (qty in Lakhs)	:	335.37
Electricity (kwh) per Lakh Nos	:	4615.96
Furnace Oil (Ltrs)	:	NIL
Coal	:	NIL
Others	:	NIL

**B. Technology Absorption:** All the Factors mentioned in Rule 8 (3)(b) Technology absorption are not applicable to the Company.

**C. Foreign Exchange Earnings and Out Go:** NIL

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

During the financial year, the Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5.00 Crore or more during the financial year, as per section 135 of the Companies Act, 2013. However, based on the turnover for the F.Y 2018-19, the provisions of CSR were not applicable to the company.

The Corporate Social Responsibility Committee, formed under Section 135 of the Companies Act, 2013, based on net profit for the financial year 2017-18 comprises 3 members with One Independent Director and two executive Directors.

**COMPOSITION:**

Mr. Khushwant Singh	-	Chairman
Mr. Ramu Chaganti	-	Member
Mr. Bala Gopal Addepalli	-	Member

**SECRETARIAL STANDARDS:**

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

**INSURANCE:**

The properties and assets of Company are adequately insured.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given loans, Guarantees or made any investments attracting the provisions of Section 186 of the Companies Act, 2013 during the financial year under review.

**DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

Your Company has well laid out policies on financial reporting, asset management, adherence to Management policies and also on promoting compliance of ethical and well defined standards. The Company follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the internal auditors.

The internal audit is conducted at the Company and covers all key areas. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

**RISK MANAGEMENT POLICY:**

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

**RELATED PARTY TRANSACTIONS:**

All related party transactions u/s 188 of Companies Act, 2019 that were entered into during the financial year were on arm's length basis and were in the ordinary course of business as furnished in note no. 17 of the financial statements. During the financial year 2018-19, there were 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.

In line with the provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, omnibus approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature.

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure- VI to this report.

**DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable for the financial year 2018-19.

**INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

Committee:

<b>Name</b>	<b>Designation</b>
U. Subrahmanyam	Presiding Officer
S.V. Bhavani	Member
Anuradha	Member
Dasaripalla Joji	External Member

All employees are covered under this policy. During the year 2018-2019, there were no complaints received by the Committee.

**LISTING STATUS ON BSE:**

The company was delisted by BSE vide notice no. 20180702-28 dated July 2, 2018 w.e.f July 4, 2018. The company approached Hon'ble Securities Tribunal and based on the orders passed thereon, BSE vide letter dated September 25, 2018 restored the Listing status of the company.

The Company has paid the listing fees for the year 2019-20 to BSE Limited

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on

important policies of the Company is also made to the directors. Direct meetings with the Managing Director are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarization programme held in FY 2018-19 are also disclosed on the Company's website at [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in)

**NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors

**INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

During the year under review, the Company does not have any unclaimed Dividends to be transferred to investors education and protection funds

**NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:**

During the year under review no Company has become or ceased to become its subsidiaries, joint ventures or associate Company.

**CREDIT & GUARANTEE FACILITIES:**

The Company has availed Working Capital facilities and Term Loan from Kotak Bank. The Company has given counter guarantee to Bankers for obtaining Bank Guarantee.

**POLICIES:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Pursuant to SEBI circular(s), the company has amended the following policies and the same were updated on the website of the company:

1. Board Evaluation Policy
2. Nomination & Remuneration Policy
3. Related Party Policy
4. Risk Management Policy
5. Vigil Mechanism Policy
6. Code of Conduct for Prevention of Insider Trading
7. Corporate Social Responsibility Policy

### **STATUTORY COMPLIANCE:**

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

### **STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure VIII** to this Report.

During the year none of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **RATIO OF REMUNERATION TO EACH DIRECTOR**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Managing Director (Mr. Bala Gopal Addepalli), Executive Director (Mr. D.V. Krishna Teja), of the Company to the median remuneration of the employees is 5.3:1 respectively.

### **CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 which were further amended vide SEBI (Prohibition of Insider Trading) (Amendment), Regulations, 2018. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website ([www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in))

### **EVENT BASED DISCLOSURES**

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

**CEO/ CFO Certification**

The Managing Director cum CEO and CFO certification of the financial statements for the year 2018-2019 is annexed in this Annual Report.

**ACKNOWLEDGEMENT:**

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

For and on behalf of the Board of  
Sangam Health Care Products Limited

Place: Hyderabad  
Date: 14.08.2019

Sd/-  
Bala Gopal Addepalli  
Chairman & Managing Director  
(DIN: 01712903)

Sd/-  
Mrs. Padma Ghanakota  
Director  
(DIN: 07078176)

## CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Sangam Health Care Products Limited as follows:

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

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

### 2. BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.

### 3. SANGAM CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information.

### 4. ATTENDANCE AND DIRECTORSHIPS HELD:

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, and then they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in **Table 1**.

Table-1								
Name of Director	Relationship with other Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM	No. of Outside Directorships of Public Companies	No. of Committee Memberships	No. of Committee Chairmanships
Mr. BalaGopal Addepalli	None	P & E D	6	6	yes	1	-	-
Mr. L.S. Patil	None	NID & N E D	0	0	No	12	-	-
Mrs. Padma Ghanakota	None	NID & NED	6	6	yes	1	-	-
Mr. Khushwant Singh	None	ID & NED	6	6	yes	-	-	-
Mr. Rajesh Kakker	None	ID & NED	6	3	No	-	-	-
Mr. Ramu Chaganti	None	ID & NED	6	3	No	-	-	-
Mr. Madhavarao Mandalapu	None	ID & NED	4	2	No	-	-	-
D.V. Krishna Teja***	None	ED	6	NA	NA	2	-	-
Suresh Adoni***	None	ID & NED	6	NA	NA	-	-	-
**Basawaraj Naga busappa Sajjan	None	ID & NED	1	1	NA	4	-	-

\* **P** – Promoter, **ID**- Independent, **NID**- Non-Independent Director, **ED**- Executive Director, **NED**- Non-Executive Director

\*\* Resigned w.e.f 07.05.2018.

\*\*\* Appointed w.e.f 03.05.2019

#### COMMITTEES OF THE BOARD:

The Company has four Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are mentioned below.

#### 1. **AUDIT COMMITTEE: (Audit Committee constituted in terms of sec. 177 of Companies Act, 2013 read with reg. 18 of SEBI (LODR) Regulations, 2015)**



**A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:** - The terms of reference of the audit committee covers the area mentioned in Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II to the SEBI (LODR) Regulations. The terms of reference, inter-alia are as follows:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Review of the quarterly and half yearly financial results with the management and the Statutory auditors.
- Examination of financial statements and auditor's report there on.
- Reviewing with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
  - a. Any changes in accounting policies and practices;
  - b. Qualification in draft audit report;
  - c. Significant adjustments arising out of audit;
  - d. The going concern concept;
  - e. Compliance with accounting standards;
  - f. Compliance with stock exchange and legal requirements concerning financial statements and
  - g. Any related party transactions
- Review and monitor Statutory Auditor's independence, performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions with related parties.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with management, Statutory and internal auditors about the nature and scope of audits and of the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.
- Approval of appointment of Chief Financial Officer after assessing the qualification, experience and background, etc.
- Frame and review policies in relation to implementation of the code of conduct for prevention of insider trading and supervise its implementation under the overall supervision of the Board.
- Review of the following information:
  - a. Management discussion and analysis of financial condition and results of operations.
  - b. Statement of Significant related party transactions (as defined by the audit committee), Submitted by the management.
  - c. Management letters/letters of internal control weaknesses issued by the statutory Auditors.
  - d. Internal audit report relating to internal weaknesses
  - e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Carrying out any other function as may be referred to the committee by the Board.
- Authority to review / investigate into any matter covered by section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the SEBI (LODR) Regulations, 2015.

#### **B. COMPOSITION, MEETINGS & ATTENDANCE:**

There were four (4) Audit Committee Meetings held during the year on 30.05.2017, 05.09.2017, 13.11.2017, 13.02.2018.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Khushwant Singh	Chairman	NED(I)	4	4
Mr. Rajesh Kakkera	Member	NED(I)	4	2
Mr. Bala Gopal Addepalli	Member	ED	4	4

NED (I) : Non Executive Independent Director  
ED : Executive Director

#### **9. NOMINATION AND REMUNERATION COMMITTEE: (Committee constituted in terms of sec. 178 of Companies Act, 2013 read with reg. 19 of SEBI (LODR) Regulations, 2015)**

The Committee comprises of three non-executive independent Directors

**A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

- To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

**B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:**

There was 1 Nomination and Remuneration Committee Meetings held during the financial year.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Khushwant Singh	Chairman	NED(I)	1	1
Mr. Rajesh Kakkera	Member	NED(I)	1	1
Mrs. Padma Ghanakota	Member	NED(NI)	1	1

NED (I) : Non Executive Independent Director

NED (NI) : Non Executive Non- Independent Director

**PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:**

The performance evaluation criteria for Independent Directors are already mentioned under the head "Formal Annual Evaluation/Board Evaluation" in Directors' Report.

**POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management. The Policy is as available on the website of the company at <http://www.sangamhealthcare.co.in/>.

**POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE**

**Scope:**

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

**Terms and References:**

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

2.2 **"Nomination and Remuneration Committee"** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Reg. 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Policy:**

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;

- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

2.1 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, SEBI ( Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant laws.

3. Criteria of independence

3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.3 The independent Director shall abide by the "code for independent Directors " as specified in Schedule IV to the companies Act, 2013.

4. Other directorships/ committee memberships

4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a directors service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

4.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

4.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded

**3. STAKEHOLDERS' RELATIONSHIP COMMITTEE: (Committee constituted in terms of Sec. 178 of Companies Act, 2013 read with reg. 20 of SEBI (LODR) Regulations, 2015)**

**i. The Brief Description and Terms of Reference:** The terms of reference of the Stakeholder Relationship Committee (SRC) covers the area mentioned in Section 178(5) of the Companies Act, 2013 and Regulation 20 read with Part D (B) of Schedule II to the SEBI (LODR) Regulations, 2015. The terms of reference of the SRC, inter-alia are as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- The composition of the stakeholders' relationship committee and the details of meetings attended by its members are given below:

There were Four (4) Stakeholders' relationship Committee Meetings held during the year on 30.05.2018, 14.08.2018, 06.11.2018, 13.02.2019.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Khushwant Singh	Chairman	NED(I)	4	4
Mr. Ramu Chaganti	Member	NED(I)	4	4
Mr. A. Balagopal	Member	ED	4	4

**NED (I)** : Non Executive Independent Director

**ED:** Executive Director

**NAME AND DESIGNATION OF COMPLIANCE OFFICER:** Mr. A. Bala Gopal Addepalli, Managing Director of the Company is the Compliance Officer of the Company.

**DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2018-19:**

NUMBER OF COMPLAINTS/TRANSFER	NUMBER
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on	NIL
Number of complaints resolved	NIL
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2018	NIL
Complaints pending as on March 31, 2019	NIL
Number of Share transfers pending for approval, as on March 31, 2019	NIL

**DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:** Mr. A. Bala Gopal and Mrs. G. Padma are related to each other as spouses. Mr. D.V.S. Krishna teja is related to Mr.A. Bala Gopal & Mrs. G. Padma

**NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS:**

**DETAILS OF SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:**

- Entrepreneurship
- Business Strategy
- Industrial affairs

**DECLARATION BY THE BOARD:**

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

During the year under review, no Independent Director has resigned before expiry of his/her tenure.

**REMUNERATION TO DIRECTORS:**

**PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY:** None of the Non-Executive Directors had any pecuniary relationship or transaction with the company.

**A. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:**

**Policy:**

**1. Remuneration to Executive Director and key managerial personnel**

- 1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.
- 1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- 1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
  - (i) Basic pay
  - (ii) Perquisites and Allowances
  - (iii) Stock Options
  - (iv) Commission (Applicable in case of Executive Directors)
  - (v) Retrial benefits
- 1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

**2. Remuneration to Non – Executive Directors**

- 2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.
- 2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

**3. Remuneration to other employees**

- 3.1. 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.



## B. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2018-19 AND OTHER DISCLOSURES

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Mr. Bala Gopal Addepalli	100000 p.m.	-	30,01,000	-	-	-	-
Mr.L. S .Patil	-	-	-	-	-	-	-
Mrs. Padma Ghanakota	-	-	20,00,000	-	-	-	-
Mr.Khushwant Singh	-	-	-	-	-	-	-
Mr.Rajesh Kakkera	-	-	-	-	-	-	-
Mr.Ramu Chaganti	-	-	-	-	-	-	-
Mr.Madhavarao Mandalapu	-	-	-	-	-	-	-
Mr. D.V. Krishna Teja	-	-	379900	-	-	-	-

### 2. INDEPENDENT DIRECTORS' MEETING:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 13.02.2019, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. 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.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The detail of the familiarization program is given at company's website ([www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in)).

**DETAILS ON GENERAL BODY MEETINGS:****LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL/ORDINARY RESOLUTIONS THERE AT AS UNDER:**

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2017-18	29.09.2018	2.00 PM	205 & 206, Amarchand Sharma Complex, S.P.Road ,Secunderabad- 500002 Telangana.	Yes
2016-17	30.09.2017	3.00 PM	205 & 206, Amarchand Sharma Complex, S.P. Road ,Secunderabad- 500002 Telangana.	Yes
2015-16	30.09.2016	3.00 PM	205 & 206, Amarchand Sharma Complex, S.P. Road ,Secunderabad- 500002 Telangana.	Yes

**PASSING OF RESOLUTIONS BY POSTAL BALLOT**

There were no resolutions passed by the Company through Postal Ballot during the financial year 2018-19.

**MEANS OF COMMUNICATION**

The Company regularly intimates its financial results, audited/limited reviewed, to the Stock Exchanges, as soon as the same are taken on record/approved. These results are not distributed/ sent individually to the shareholders.

In terms of the requirements of SEBI (Listing Obligations & Disclosures Requirements), the un-audited financial results as well as audited financial results, shareholding pattern of the Company and Corporate Governance Report are electronically submitted, unless there are technical difficulties and are displayed through Corporate.

Filing and Dissemination System viz., on [www.listing.bseindia.com](http://www.listing.bseindia.com). The un-audited financial results as well as audited financial results, shareholding pattern of the Company and Report on Corporate Governance are displayed on [www.bseindia.com](http://www.bseindia.com).

All important information and official press releases are displayed on the website for the benefit of the public at large. Analysts 'Reports/ Research Report, if any, are also uploaded on the website of the Company. The Company's website can be accessed at [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in).

**GENERAL SHAREHOLDER INFORMATION:****ANNUAL GENERAL MEETING:**

The 25<sup>th</sup> Annual General Meeting of the Company will be held as per the following schedule:

<b>Day</b>	<b>Monday</b>
Date	30.09.2019
Time	02.00 P.M.
Venue	205 & 206, Amarchand Sharma Complex, S.P.Road, Secunderabad- 500002 Telangana.

**VENUE: FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2019-20 (TENTATIVE SCHEDULE)**

The financial calendar (tentative) shall be as under:

<b>Financial Year</b>	<b>2018-19</b>
First Quarterly Results	14.08.2019
Second Quarterly Results	14.11.2019
Third Quarterly Results	14.02.2020
Fourth Quarterly Results	29.05.2020
Annual General Meeting for year ending 31 <sup>st</sup> March,2019	30.09.2020

**DIVIDEND PAYMENT DATE:** No Dividend is declared during the Financial Year 2018-19.

**NAME AND ADDRESS OF STOCK EXCHANGE WHERE THE COMPANIES SECURITIES WERE LISTED:**

**EXCHANGE:** BSE LIMITED, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

The company has paid the listing fee for the financial year 2018-19.

**STOCK CODE: SANHP**

**REGISTRAR AND 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](mailto:xlfield@gmail.com)

**MARKET PRICE DATA**

**The monthly high / low prices of shares of the Company from April, 2018 to March, 2019 at BSE:**

Not applicable as the company is under suspension on BSE due to penal reasons. However, the company is taking necessary steps to revoke the suspension at the earliest.

**SHARE TRANSFER SYSTEM:**

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/ are duly transferred and dispatched within a period of 15 days from the date of receipt.

**DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH , 2019:**

CATEGORY	NUMBER OF SHAREHOLDERS	%	AMOUNT	%
1 – 5000	343	53.85	1523100	1.02
5001 – 10000	140	21.98	1301000	0.88
10001 – 20000	29	4.55	476000	0.32
20001 – 30000	52	8.16	1284000	0.86
30001 – 40000	2	0.31	76000	0.05
40001 – 50000	19	2.98	893000	0.60
50001 – 100000	17	2.67	15272000	1.03
100001 and above	35	5.49	141526900	95.24
<b>TOTAL</b>	<b>637</b>	<b>100.00</b>	<b>148607000</b>	<b>100.00</b>

**DEMATERIALIZATION & LIQUIDITY OF SHARES:**

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE431E01011. The Company is not having demat facility with NSDL. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Shares held in demat and Physical mode as on March 31, 2019 is as follows:

Particulars	No. of Shares	% Share Capital
NSDL	100506	0.68
CDSL	11222824	75.52
PHYSICAL	3537370	23.80
<b>Total</b>	<b>14860700</b>	<b>100</b>

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with respective depository participants.

**PLANT LOCATIONS:**

1. Survey no.182, Yellampet Villiage, Medchal Mandal, Medchal, Malkajgiri District.
2. Survey No.189/A, DurshedVillage , Karimnagar District.

**ADDRESS FOR CORRESPONDANCE:** 205 & 206, Amarchand Sharma Complex, S.P. Road, Secunderabad- 500002 Telangana.

**BOOK CLOSURE DATE:**

The date of Book Closure for the purpose of Annual General Meeting shall be from 24.09.2019 to 30.09.2019 (both days inclusive)

**ELECTRONIC CONNECTIVITY:** Demat ISIN Number: INE431E01011

**CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

Marathon Futurex, A-Wing,  
25th floor, NM Joshi Marg,  
Lower Parel, Mumbai 400013

**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2019:**

S.No	Category	No. of shares held	Percentage of shareholding
<b>A</b>	Shareholding of Promoter and Promoter group		
1.	Indian		
	Individual	10421030	70.12
2.	Foreign		
	Individual		
	<b>Sub-Total A</b>	<b>10421030</b>	<b>70.12</b>
<b>B</b>	Public Shareholding		
1.	Institutions	1253000	8.43
2.	Non Institutions	3186670	21.44
	a. Bodies Corporate	1598160	10.75
	b. Indian Public and others	1578510	19.06
	c. Others	1000	0.07
	<b>Sub Total B</b>	<b>4439670</b>	<b>29.88</b>
	<b>Grand Total (A+B)</b>	<b>14860700</b>	<b>100.00</b>

**OTHER DISCLOSURES:**

**Compliances:** SEBI vide its Order dated 15.05.2018 has imposed a penalty of Rs. 2 lakhs on the Company for violation of SEBI (SAST) Regulations, 2015 and the Company has paid the same.

**WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's Website [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's

Length. All Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis.

#### **MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS**

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The Audit Committee has issued omnibus approval for the Related party transactions within the limits. Transactions with the Related Parties as required under Accounting Standard-18 are disclosed in Note No.17 of the financial statements forming part of this Annual Report.

#### **WHISTLE BLOWER POLICY (Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)**

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

#### **COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

- i. The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- ii. The financial Statements are free from any Audit Qualifications.
- iii. At present, other non-mandatory requirements have not been adopted by the Company.

E. Web link of the policy for determining 'material' subsidiaries is – The company does not have a subsidiary.

F. Web link of the policy on dealing with related party transactions is <http://www.sangamhealthcare.co.in/>

I. a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is as annexed in Annexure VIII.

(k) total fees for all services paid by the listed entity to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part – Rs. 2,00,000/-

**DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

- a. number of complaints filed during the financial year : **NIL**  
b. number of complaints disposed of during the financial year : **NIL**  
c. number of complaints pending as on end of the financial year : **NIL**

**COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS:**

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **Shareholders' rights:** The quarterly results along with the press release are uploaded on the website of the Company [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in). The soft copy of the quarterly results is also sent to the shareholders who have registered their e-mail addresses.
- **Audit qualifications:** Company's financial statements have no qualifications.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2) (a) of the Listing Regulations.

**For and on behalf of the Board of  
Sangam Health Care Products Limited**

Place : Hyderabad  
Date: 14.08.2019

Sd/-  
**Bala Gopal Addepalli**  
Chairman & Managing Director  
(DIN: 01712903)

Sd/-  
**Padma Ghanakota**  
Director  
(DIN:07078176)

**CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2018-19**

The Shareholders,

**Code of Conduct**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

**Certificate of Code of Conduct for the year 2018-2019 as per Regulation 17(5) read with Regulation 34 (3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Sangam Health Care Product Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all Director, officers and employees. I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2018-2019.

For and on behalf of the Board of  
Sangam Health Care Products Limited

Place: Hyderabad  
Date: 14.08.2019

Sd/-  
Bala Gopal Addepalli  
Chairman & Managing Director  
(DIN: 01712903)

Sd/-  
Mrs. Padma Ghanakota  
Director  
(DIN: 07078176)



**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATION, 2015**

To,  
The Board of Directors  
Sangam Health Care Products Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Sangam Health Care Products Limited ("the Company"), to the best of our knowledge and belief certify that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2019 and to the best of our knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate of the Company's code of conduct.
- C. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- D. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- E. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- (1) significant changes, if any, in the internal control over financial reporting during the year;
  - (2) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Sd/-      Sd/-

**Place: Hyderabad**

**Satish Kumar Varre**

**Bala Gopal Addepalli**

**Date: 14.08.2019**

**Chief Financial Officer**

**Managing Director**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**Sangam Health Care Products Limited**

We have examined the compliance of conditions of corporate governance by **Sangam Health Care Products Limited** ('the Company') for the year ended 31<sup>st</sup> March, 2019, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's 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 and according 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 Listing regulations.

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

For K.R. Shekhar & Co.  
Chartered Accountants

Place: Hyderabad  
Date: 14.08.2019

Sd/-  
K.R. Sekhar  
Partner  
M. No. 214810

**DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/  
UNCLAIMED SUSPENSE ACCOUNT**

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

\*\*

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
NIL	NIL	NIL	NIL

**\*\* *Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.***

Note: The Company has never declared dividends since its inception and therefore there is no amount lying in unpaid/unclaimed dividend account.

**FORM MR-3**

**SECRETARIAL AUDIT REPORT**

(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

To  
The Members of  
M/s. Sangam Health Care Products Limited

I 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"). Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Sangam Health Care Products Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2019, 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 (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2018-19.

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures.**
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable as the company has not issued any shares during the year under review.**
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **The company was delisted by BSE vide notice no. 20180702-28 dated July 2, 2018 w.e.f July 4, 2018. However, pursuant to BSE letter dated September 25, 2018 the status of the company was restored from delisted to suspended w.e.f September 27, 2018.**
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- v. 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 as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However the company has "XL Softech Systems Limited" as its share transfer agent.**
- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2019; **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
- viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; **The company adopted a revised code of conduct pursuant to SEBI Notification No. LAD-NRO/GN/2014-15/21/85 dated 15.01.2019 and displayed the same on the Company's website i.e. [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in).**
- ix. Other applicable laws include the following:
  - Factories Act, 1948
  - Payment Of Wages Act, 1936, and rules made there under,
  - The Minimum Wages Act, 1948, and rules made there under,
  - Employees' State Insurance Act, 1948, and rules made there under,
  - The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,

- The Payment of Bonus Act, 1965, and rules made there under,
- Payment of Gratuity Act, 1972, and rules made there under,
- Water (Prevention and control of Pollution) Act, 1974 and the rules made thereunder;
- Air (Prevention and control of Pollution) Act, 1981 and the rules made thereunder;
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- The Environment Protection Act, 1986
- Industrial Disputes Act, 1947
- Drugs and Cosmetics Act, 1940 and Rules made thereunder
- Drugs Price Control Order, 2013 and notifications made thereunder

(x.) The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

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

- a) During the year the Company has conducted Six(6) meetings of the Board of Directors, Four (4) meetings of the Audit committee, One (1) Nomination and Remuneration committee, Four (4) Meeting of Stakeholder Relationship Committee and 1 meeting of Independent Directors.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that:
  - (i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
    - External Commercial Borrowings were not attracted to the Company under the financial year under report;
    - Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
    - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
  - (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

**We further report that:**

- i. The Company has a CFO namely Mr. V. Satish Kumar Varre.
- ii. The Board of Directors of the Company is 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.
- iii. Adequate notice of board meeting is given to all the directors along with agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- iv. As per the Minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- v. 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.
- vi. During the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- vii. The Company had also disclosed to the exchanges following amendments and circulars issued by the SEBI during the financial year 2018-19:
  - SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 – Fund raising by issuance of Debt Securities by Large Entities.
  - SEBI circular — CIR/CFD/CMD1/27/2019 – Annual Secretarial Compliance report.

**We further report the following observations during the period under review:**

- i. Pursuant to the provisions of the Section 203(1) (ii) of the Companies Act, 2013 read with regulation 6 of SEBI (LODR) Requirements, 2015, the Company shall appoint company secretary as compliance officer. It was observed that Company Secretary was appointed w.e.f 16.10.2018 and was resigned w.e.f 17.05.2019.
- ii. Pursuant to the provisions of the Section 138 of the Companies Act, 2013, the company shall appoint the internal auditor. However the Company has not complied with the requirement.

Place: Hyderabad  
Date: 14.08.2019

Aakanksha  
Practicing Company Secretary,  
M. No. – A49041  
C.P.No: - 20064

**Annexure A**

To  
The Members of  
M/s. Sangam Health Care Products Limited

The secretarial audit report for F.Y 2018-19 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Hyderabad  
Date: 14.08.2019

Aakanksha  
Practicing Company Secretary,  
M. No. – A49041  
C.P.No: - 20064



**Form No. AOC-2****(Pursuant to clause (h) of sub-section (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 arm's length transactions under third proviso there to

**1. Details of contracts or arrangements or transactions not at arm's length****b a s i s****- NIL**

<b>Name of the Party</b>	<b>Relationship with the Party</b>
Sri Siri Constructions	Director as Partner
Sri Sai Gravure Prints	Director as Partner
Sri Sai Health Care	Director as Partner
V Satish Kumar	CFO
G Padma	Director
A Bala Gopal	Director

- 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 or transactions 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

**2. Details of material contracts or arrangement or transactions at arm's length basis**

- Name(s) of the related party and nature of relationship

**Name of the Party**  
 Sri Siri Constructions  
 Sri Sai Gravure Prints  
 Sri Sai Health Care  
 V Satish Kumar

**Relationship with the Party**  
 Director as Partner  
 Director as Partner  
 Director as Partner  
 CFO

G Padma

Director

A Bala Gopal

Director

- b. Nature of contracts/arrangements/transactions: Advances received and paid
- c. Duration of the contracts / arrangements/transactions: during year
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- e. Date(s) of approval by the Board, if any: NA
- f. Amount received/ (paid) as advances, if any: NIL

For and on behalf of the Board of  
Sangam Health Care Products Limited

Place: Hyderabad  
Date: 14.08.2019

Sd/-  
Bala Gopal Addepalli  
Chairman & Managing Director  
(DIN: 01712903)

**REPORT ON CSR ACTIVITIES**

*[Pursuant to section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]*

**1. A brief Outline of Company's CSR Policy, including overview of projects or programmes undertaken/ proposed to be undertaken:**

The CSR committee of the Board has formulated the CSR Policy consisting of activities as specified in Schedule VII of Companies Act, 2013.

**2. Composition of CSR Committee:**

The details of the composition of the committee are given below:

Mr. Khushwant Singh	-	Chairman
Mr. Ramu Chaganti	-	Member
Mr. Bala Gopal Addepalli	-	Member

**3. Average net profits of the company for last three financial years**

Financial Year	Profits/Losses
2015-16	(15,386,051)
2016-17	(6,83,99,983)
2017-18	7,37,36,954
TOTAL	(1,00,49,080)

**Losses exceeds the profits for the Average net profits for last three financial years.**

**4. Prescribed CSR Expenditure (two per cent of above)**

The Company has allocated 2% of the average net profits of the last three financial years for the CSR initiative which amounts to Rs. NIL

**5. Details of CSR spent during the financial year:**

(a) Total amount spent for the financial year: NIL (with reference of above point no. 3, the amount spent during the financial year)

(b) Amount unspent, if any: (Rs) NIL (as the losses exceeds the profits for the Average net profits for last three financial years, hence the company need not spend any amount to CSR, with reference to the above point no. 3)

(c) Manner in which the amount spent during the financial year is detailed below:

(2)	(3)	(4)	(5)	(6)	(7)	(8)
CSR project or activity identified	Sector in which the Project is covered	Location of Project / Programs	Amount outlay	Amount spent on the projects or Programs (rupees in lakhs)	Cumulative expenditure upto to the reporting period	Amount spent Direct or through implementi ng agency
REFER POINT NO. 6						
<b>TOTAL</b>						

**6. In case the company has failed to spend the 2% of the average net profits of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its board report:**

The Company need not spend any amount against CSR, as the losses exceeds the profits for the Average net profits for last three financial years.

**7.A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company:**

Not Applicable for the Financial Year 2018-19.

**Practicing Company Secretary's Certificate on Independent Directors**

To  
The Members  
Sangam Health Care Products Limited  
205,206, Amarchand Sharma  
Complex, S.P. Road,  
Secunderabad – 500002, Telangana, India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sangam Health Care Products Limited having CIN L24230TG1993PLC016731 and having registered office at 205,206, Amarchand Sharma Complex, S.P. Road, Secunderabad – 500002 Telangana, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

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

**S. Sarveswar Reddy**

ACS No. 12611

CP No. 7478

Place: Hyderabad

Date: 14.08.2019

**ANNEXURE IX**

The details of remuneration during the year 2018-2019 as per Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2015 are as follows:

Sl. No	Disclosure Requirement	Disclosure Details	
i.	Ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the Financial year	<b>Executive Directors</b>	<b>Ratio to median remuneration</b>
	Mr. Bala Gopal Addepali	Managing Director	5.3%
ii.	Percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
	BALA GOPAL ADDEPALLI	Managing Director	-100%
	Satish Kumar Varre	CFO	-49%
Note: During the year 2018-2019, Non-Executive/Independent Directors being paid only sitting fees for the meeting attended by them.			

- iii. Percentage increase in the median remuneration of employees in the financial year 2018-2019: 11 % increase in the median remuneration of employees for the year 2018-2019
- iv. Number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2019: 180
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average annual increase in salaries of employees was: 11 %.
- Increase in the managerial remuneration for the year was : Nil %.
- vi. Affirmation that the remuneration is per the remuneration policy of the Company:
- The Company is in compliance with its remuneration policy.

**ANNEXURE X**

Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

-S No	Name of the Employee	Designation of the employee	Remuneration received	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Avinash	RSM	4,53,852							
2	S.Laxminarayana	GM (Mktg)	9,00,000							
3	A.Suresh	GM (Plant Operations)	7,80,600							
4	D.V.S.Teja	Incharge	8,97,600							
5	Vithal Kulkarni	Sr. Manager (Mktg)	7,20,000							
6	Subrahmanya m	GM-Factory	5,98,000							
7	Murali	Incharge Toolroom	3,90,000							
8	G S R Murthy	Asst.Manager-Accounts	6,13,032							
9	B.Bhanu Prasad	Manager-Pur	5,54,400							
10	Arif	RSM	4,53,936							

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31st March, 2019

[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:

Sl. 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	99.49%

**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
-	-	-	-	-	-



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
j) 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	
<b>A. PROMOTERS</b>									
<b>(1) INDIAN</b>									
a) Individual/HUF	-	10421030	10421030	70.12	-	10421030	10421030	70.12	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Bank/FI's	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1):-</b>	-	<b>10421030</b>	<b>10421030</b>	<b>70.12</b>	-	<b>10421030</b>	<b>10421030</b>	<b>70.12</b>	-
<b>(2) Foreign</b>									
a) NRI's-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/FI's	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>10421030</b>	<b>10421030</b>	<b>70.12</b>	-	<b>10421030</b>	<b>10421030</b>	<b>70.12</b>	-

<b>B) PUBLIC SHAREHOLDING</b>									
<b>1. INSTITUTIONS</b>									
a) Mutual Funds	200,100	399100	599100	4.03	200000	399100	599100	4.03	-
b) Banks/FI's	400,100	253900	653900	4.40	400000	253900	653900	4.03	-
c) Central Govt.	-	-	-		-	-	-	-	-
d) State Govt.	-	-	-		-	-	-	-	-
e) Venture Capital Funds	-	-	-		-	-	-	-	-
f) Insurance Companies	-	-	-		-	-	-	-	-
g) FII's	-	-	-		-	-	-	-	-
h) Foreign Venture Capital	-	-	-		-	-	-	-	-
i) Others (Specify)	-	-	-		-	-	-	-	-
<b>Sub-Total (B)(1):-</b>	<b>400,000</b>	<b>853,000</b>	<b>1,253,000</b>		<b>8.43</b>	<b>600000</b>	<b>653000</b>	<b>1253000</b>	<b>8.43</b>
<b>2. INDIVIDUALS</b>									
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	1,598,160	1,598,160	10.75	-	1598160	1598160	10.75	-
ii) Overseas						-	-	-	-
b) Individuals						-			
i) Individual Shareholders holding nominal share capital in upto of Rs. 2 Lakh	13200	679410	692610	4.66	13200	679410	692610	4.66	-
ii) Individual Shareholders holding nominal share capital in excess of Rs. 2 Lakh	188600	697300	885900	5.96	188600	697300	885900	5.96	-
c) Others (NRIs Repatriable)	-	10000	10000	0.07	-	10000	10000	0.07	-
<b>Sub-Total (B)(2):-</b>	<b>201800</b>	<b>2984870</b>	<b>3186670</b>	<b>21.45</b>	<b>201800</b>	<b>2984870</b>	<b>3186670</b>	<b>21.44</b>	<b>689.5</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>801800</b>	<b>3637870</b>	<b>4439670</b>	<b>29.88</b>	<b>601800</b>	<b>3837870</b>	<b>4439670</b>	<b>29.88</b>	<b>-</b>
<b>C. Shares held by Custodians for ADR's &amp; GDR's</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>801,800</b>	<b>14058900</b>	<b>14860700</b>	<b>100</b>	<b>801800</b>	<b>14058900</b>	<b>14860700</b>	<b>100</b>	<b>100</b>

ii) Shareholding of Promoters								
Sl. No	Shareholder's Name	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	Total	% of Total Shares	Demat	Total	% of Total Shares	
								Nil
1.	ADDEPALLI BALA GOPAL	30,01,000	30,01,000	20.19	30,01,000	30,01,000	20.19	--
2.	DEVARA KONDA VENKATA SUBRAMANYA SHARMA	25,00,000	25,00,000	16.82	25,00,000	25,00,000	16.82	--
3.	GHANAKOTI RAMANA	22,55,230	22,55,230	15.18	22,55,230	22,55,230	15.18	--
4.	GHANAKOTA PADMA	20,00,000	20,00,000	13.46	20,00,000	20,00,000	13.46	--
5.	DEVARAKONDA V S KRISHNA TEJA	3,79,900	3,79,900	2.56	3,79,900	3,79,900	2.56	--
6.	SAI BALAJI KRISHNA TEJA ADDEPALLI	2,84,900	2,84,900	1.92	2,84,900	2,84,900	1.92	--

(iii) Change in Promoters' Shareholding (please specify, if there is no change). There no Change in Promoter shareholding during the financial year 2017-18.					
Sl. 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
	At the beginning of the year	--	---	--	---
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g.allotment / transfer /bonus/sweat equity etc)				
	At the End of the year	--	---	--	---

<b>(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):</b>					
Shareholder Name	Shareholding at the beginning of the year		Cumulative Shareholding at during 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	
At the beginning of the year					
M/S BOIN MEDICA CO LTD	12,40,260	8.35	12,40,260	8.35	
ADMINISTRATOR OF THE SPECIFIED UNDERTAKING	3,00,000	2.02	3,00,000	2.02	
SHOBHA BEMBOLGI	2,60,000	1.75	2,60,000	1.75	
PRINCIPAL TRUSTEE COMPANY PVT LTD A/C PR	2,00,000	1.35	2,00,000	1.35	
DUNDUMULLA BHAGAT REDDY	2,00,000	1.35	2,00,000	1.35	
BANK OF INDIA A/C BOI MUTUAL FUND	1,99,700	1.34	1,99,700	1.34	
GIC ASSET MANAGEMENT COMPANY LIMITED	1,99,400	1.34	1,99,400	1.34	
INDIAN BANK	1,50,000	1.01	1,50,000	1.01	
Ajay Kumar Kayan	1,42,500	0.96	1,42,500	0.96	
SMIFS CAPITAL MARKETS LIMITED	1,42,400	0.96	1,42,400	0.96	
Date wise Increase /Decrease in Top Ten Share Holding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer /bonus/ sweat equity etc): NIL					
<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>					
Sl. No.	For EachoftheDirectorsand KMP	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	ADDEPALLI BALA GOPAL				
	At the beginning of the year	30,01,000	20.19	--	--
Date wise Increase /Decrease in directors and key managerial personnelShareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):					
	At the End of the year	30,01,000	20.19	--	--
Sl. No	For EachoftheDirectors and KMP	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
2	GHANAKOTA PADMA				
	At thebeginningofthe year	20,00,000	13.46	20,00,000	13.46
Date wise Increase /Decrease in directors and key managerial personnelShare holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):					
	At the End of the year	20,00,000	13.46	20,00,000	13.46

<b>V. INDEBTEDNESS</b>				
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	100000000	<b>55586189</b>		<b>155586189</b>
ii) Interest due but not paid	246575			246575
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>100246575</b>	<b>55586189</b>		<b>155832764</b>
Change in Indebtedness during the financial year				
• Addition	2,03,08,010	<b>106115606</b>		<b>126423616</b>
• Reduction	8,78,02,088			87802088
Net Change	6,74,94,078	<b>106115606</b>		38621528
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	<b>3,24,43,559</b>	<b>161701795</b>		<b>194145354</b>
ii) Interest due but not paid	<b>3,08,938</b>			<b>308938</b>
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>3,27,52,497</b>	<b>161701795</b>		<b>194454292</b>

<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>						
<i>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</i>						
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager:			Total Amount	
		Mr. Addepalli Bala Gopal				
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	NIL	-		NIL	
2.	Stock Option	--	--	--	--	
3.	Sweat Equity	--	--	--	--	
4.	Commission - as % of profit - Others, specify...	--	--	--	--	
5.	Others, please specify	--	--	--	--	
	Total (A)	NIL	-		NIL	
	Ceiling as per the Act	--	-		--	
<i>B. Remuneration to other directors: NIL</i>						
Sl. no.	Particulars of Remuneration	Name of Director				Total Amount
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	-	-	-	--	---
	Total (1)	-	-	-	--	---
	Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	--	--	--	--	--
	Total (2)	--	--	--	--	--
	Total (B)=(1+2)	-	-	-	--	---
	Total Managerial Remuneration	--	--	--	--	--
	Overall Ceiling as per the Act	--	--	--	--	--

<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</b>					
<b>Sl. no.</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>			
		<b>CEO</b>	<b>Company Secretary</b>	<b>CFO</b>	<b>Total</b>
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	-	-	5.9 lakh/pa	5.9Lakh/pa
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please Specify	-	-	-	-
6.	Total	-	-	-	-
<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>					
<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty / Punishment/ Compounding fees imposed</b>	<b>Authority [RD / NCLT / COURT]</b>	<b>Appeal made, if any (give Details)</b>
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

## INDEPENDENT AUDITOR'S 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, which comprise the Statement of Financial Position as at March 31, 2019 and the Statement of Profit and Loss and Other Comprehensive for the year ended 31<sup>st</sup> March 2019, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have 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 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:



- a) In the case of the Statement of Financial Position( Balance Sheet), of the state of affairs of the Company as at March 31, 2019;
- b) In the case of the Statement of Profit and Loss and Other Comprehensive Income, Operating and Non Operating profit for the year ended on that date March 31, 2019;
- c) In the case of cash flow, the movement of cash in the company for the period
- d) In case of Changes in Equity, the movement of net flows in other Equity for the period.

Emphasis of Matter Paragraph

As referred to Note no: 26, relating to balances due from and due by the company towards Long Term / Short Term borrowings, debtors, advances, other current assets and current liabilities in respect of which confirmations have not been received. Pending receipt of confirmation of balances and consequent adjustments arising on account of such reconciliations if any, including differences arising on account of netted off balances of certain debtors, advance from customers and creditors, if any and the resultant impact on the financial statements including the operating results is not ascertainable at this stage.

Our Opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 1. This report include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order 2016, issued by the Department of Companies Affairs, in terms of sub section (11) of section 143 of the Companies Act 2013, since in our opinion and according to the information and explanations given to us, the said order is applicable to the company.
- 2. As required by section 143(3) of the Companies Act, 2013, we report that:
  - a) We have 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 appears from our examination of those books
  - c) The Statement of Financial Position and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Statement of Financial Position and Statement of Profit and Loss comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, 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, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of sub section 2 of section 164 of the Companies Act, 2013.

- f) 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 explanation given to us
- i. The Company doesn't have any pending litigations which would impact its financial position.
  - ii. The Company didn't 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 **K.R.Shekher & Co.,**  
Firm Registration Number: 010828S  
Chartered Accountants

Hyderabad, May 30, 2019.

Sd/-  
**Rajashekhhar Kaparti**  
Partner M.No.214810

### Annexure to the Auditors' Report

The annexure as referred in 'Report on other Legal and Regulatory requirements of our independent auditors' report to the members of **SANGAM HEALTH CARE PRODUCTS LIMITED** on the financial statements for the year ended March 31, 2019, we report that

- i. a) The company has maintained proper records showing full particulars including quantitative details and situation of its principal fixed assets.
  - b) Other than the location of furniture and fixture and office equipments, which are under compilation, accordingly the fixed assets are physically verified by the management according to the programme of periodical verification in a phased manner, designed to cover all items over a period of one year which, in our opinion, is reasonable having regards to the size of the company and the nature of its assets. Pursuant to the management during the year and no material discrepancies have been noticed on such verification.
  - c) The Title Deed of the Immovable property as disclosed in Schedule III of Financial statements are held in the Name of Company as at the Balance Sheet date.

Particulars	Land	Factory Building
Gross Block as on 31st March,2019	7,90,50,000	6,51,30,130
Net Block as on 31st March,2019	7,90,50,000	3,87,80,053

- ii. The inventory other than in transit has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by Directors from banks and financial institutions, and no investments, Guarantees, Securities given by the company.
- v. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 73 to 76 or any other relevant

provisions of the Companies Act, 2013 and rules made there under. Hence, the Clause (v) of the order is not applicable.

vi. The Central Government has not prescribed maintenance of the cost records under Section 148(1) of the Companies Act, 2013 in respect to the Company's product. Hence, the Clause (VI) of the order is not applicable.

vii. a) According to the information and explanations given to us and the records examined by us, the Company is not regularly in depositing with appropriate authorities in respect of provident fund, employees' state insurance, wealth tax, income-tax, goods and services tax and other statutory dues wherever applicable, undisputed arrears of statutory dues were outstanding as at 31<sup>st</sup> March 2019.

b) According to the information and explanations given to us, there are dues of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax, Goods and Services Tax, Excise Duty and Cess which have not been deposited on account of any dispute.

c) On the basis of our examination the following are the undisputed statutory dues which were arrears as at 31<sup>st</sup> march, 2018.

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Remarks
The Employee's Provident Funds And Miscellaneous Provisions Act,1952	Provident Fund	3.98	March 2019	Not Deposited
Employee's State Insurance Act,1948	ESI	9.53	Sep 2016 & Apr 2017	Not Deposited

viii. Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks.

ix. The nature of Company is Public limited, the Company has not raised any money by way of Initial Public offer, further public offer including debt instruments during the year. Accordingly the provisions of Clause 3(ix) of the Order not applicable to the Company.

- x. On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.
- xi. According to the information and explanations given 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 of the act.
- xii. On the basis of our examination the company is not a Nidhi company hence the paragraph 3(xiii) of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the company entered into related party transactions (the details of such transactions were enclosed in the financial statements).
- xiv. On the basis of our examination the company has not issued or allotted any preferential shares/debentures hence the paragraph 3(xiv) of the order is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the company didn't entered into non-cash transactions with directors or persons concerned and such transactions were disallowed while calculating the income tax as per Income Tax Act.
- xvi. The nature of Business is such that, the Clause (xvi) of Order- Register under RBI Act 1934 is not applicable.

For **K.R.Shekher & Co.**,  
Firm Registration Number: 010828S  
Chartered Accountants

Hyderabad, May 30, 2019.

Sd/-  
**Rajashekhar Kaparti**  
Partner M.No.214810

## **Annexure - B to the Auditors' Report**

### **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** as of 31 March 2019 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 ('ICAI'). 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.

#### **Auditor's 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 auditor's judgment, 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 control 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 control 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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 31 March 2018, 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 **K.R.Shekher & Co.,**  
Firm Registration Number: 010828S  
Chartered Accountants

Hyderabad, May 30, 2019.

Sd/-  
**Rajashekhar Kaparti**  
Partner M.No.214810



**SANGAM HEALTH CARE PRODUCTS LIMITED**

CIN NO- L24230TG1993PLC016731

Statement of Financial Position as at March 31, 2019 (in Rupees)

	Note No.	As at 31st March 2019	As at 31st March 2018
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	186,525,883	19,92,85,303
(b) Capital work in progress		-	-
(c) Other intangible assets		-	-
(d) Financial Assets		-	-
(e) Differed Tax Assets (Net)		-	-
(f) Other non-current asset	4	33,59,223	33,59,223
<b>Total non-current assets (A)</b>		<b>189,885,106</b>	<b>20,26,44,526</b>
<b>2 Current assets</b>			
(a) Financial assets			
(i) Trade receivables	5.1	3,469,081	83,148
(ii) Cash and cash equivalents	5.2	512,575	17,00,188
(iii) Inventories	5.3	27,733,098	90,03,169
(iv) other financial assets	6	16,101,004	83,75,312
(b) Other current assets		-	-
<b>Total current assets (B)</b>		<b>47,815,758</b>	<b>1,91,61,817</b>
<b>Total assets (A+B)</b>		<b>237,700,864</b>	<b>22,18,06,343</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	7	14,86,07,000	14,86,07,000
(b) Other equity	8	(348,335,603)	(28,59,48,291)
<b>Total equity (A)</b>		<b>(199,728,603)</b>	<b>(13,73,41,291)</b>
<b>2 Liabilities</b>			
<b>(i) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	9	7,815,495	13,91,24,982
(b) Long term provisions	10	6,980,261	74,78,935
(c) Deferred tax Liabilities (Net)		13,301,040	14,827,628
<b>Total non-current liabilities (B)</b>		<b>28,096,796</b>	<b>161,431,545</b>
<b>(ii) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	9	203,591,971	3,34,14,381
(ii) Trade payables	11.1	39,990,113	5,26,32,290
(iii) Other financial liabilities	11.2	25,750,587	9,64,40,710
(b) Other current liabilities	12	140,000,000	3,00,56,336
<b>Total current liabilities (C)</b>		<b>409,332,671</b>	<b>21,25,43,717</b>
<b>Total liabilities (D+B+C)</b>		<b>437,429,467</b>	<b>35,91,47,634</b>
<b>Total equity and liabilities (A+D)</b>		<b>237,700,864</b>	<b>22,18,06,343</b>

The notes are an integral part of the financial statements 1-2

As per our Report of even date

for **K.R. Shekher & Co.**,

Chartered Accountants

Firm Reg. No. : 0108285

Sd/-

**Rajashekhhar Kaparti**

Partner

Membership No: 214810

Place : Hyderabad

Date : 30.05.2019

For and on behalf of the Board of Directors

**SANGAM HEALTH CARE PRODUCTS LIMITED**

Sd/-

**D.V.S. Krishna Teja**

Managing Director

DIN No. 0707683

Sd/-

**Bala Gopal Addepalli**

Managing Director

DIN No. 01712903

Sd/-

**V. Satish Kumar**

C.F.O.

PAN: ACLPV7670E

**SANGAM HEALTH CARE PRODUCTS LIMITED**  
**CIN NO- L24230TG1993PLC016731**  
**Statement of Profit and Loss and other Comprehensive Income**  
**for the year ended March 31, 2019** (in Rupees)

Particulars	Note No.	For the year ended	
		31st March 2019 Rs.	31st March 2018 Rs.
<b>I. Income</b>			
Revenue from operations	13	210,392,037	20,88,90,042
Other income	14	403,647	184,102,470
<b>Total income</b>		<b>210,795,684</b>	<b>392,992,512</b>
<b>II. Expenses</b>			
(a) Operating expenses	15.1	14,55,40,709	19,85,38,857
(b) Finance cost	15.2	2,09,96,439	3,32,93,914
(d) Depreciation expense	3	15,026,427	1,52,28,492
(c) Other expenses	155.3	55,316,222	5,66,30,324
<b>Total expenses</b>		<b>23,68,79,797</b>	<b>30,36,91,587</b>
<b>III. Profit before tax(I-II)</b>		<b>(2,60,84,1130)</b>	<b>8,93,00,925</b>
IV Extraordinary Items	16	(42,76,702)	-
V. Profit before tx (III-IV)		(21807,411)	89,300,925
<b>VI. Tax expense :</b>			
a. Current tax		-	7,36,342
b. Deferred tax		1,526,588	(1,48,27,628)
<b>VII. Profit for the year ( III-IV)</b>		<b>(20,280,823)</b>	<b>7,37,36,954</b>
<b>VI. Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
(a) Remeasurement of defined Unsecured loans		-	60,19,491
(b) Income tax effect on the above		-	-
<b>Total other comprehensive income</b>		-	<b>60,19,491</b>
<b>VII. Total comprehensive income for the year ( V+ VI)</b>		<b>(20,280,823)</b>	<b>7,97,56,445</b>
<b>VIII. Earning per equity share</b>			
Basic and diluted		(1.36)	5.37

The notes are an integral part of the financial statements 1-2

As per our Report of even date

for **K.R. Shekher & Co.**,

Chartered Accountants

Firm Reg. No. : 0108285

Sd/-

**Rajashekhar Kaparti**

Partner

Membership No: 214810

Place : Hyderabad

Date : 30.05.2019

For and on behalf of the Board of Directors

**SANGAM HEALTH CARE PRODUCTS LIMITED**

Sd/-

**D.V.S. Krishna Teja**

Managing Director

DIN No. 0707683

Sd/-

**Bala Gopal Addepalli**

Managing Director

DIN No. 01712903

Sd/-

**V. Satish Kumar**

C.F.O.

PAN: ACLPV7670E

**SANGAM HEALTH CARE PRODUCTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019**

<b>A. CASH FROM OPERATING ACTIVITIES</b>	<b>31.03.19</b>	<b>31.03.18</b>
(Loss)/Profit before tax and extraordinary items	(26,084,113)	89,300,925
Adjustment for		
- Depreciation	15,026,427	15,228,492
- Interest & Financial charges	20,996,439	33,293,914
- Interest received	(403,647)	(1,84,102,470)
<b>Operating Profit before Working Capital Changes</b>	<b>9,555,106</b>	<b>(46,279,139)</b>
Adjustment for		
- Trade & Other receivables	(3,385,933)	478,647
- Inventories	(18,729,929)	39,251,703
- Trade & others Payable	(68,504,672)	6116,068
- Short term Loans & Advances	(256,054)	437,271
- Short Term Borrowings & Provisions	187,835,773	(26,409,948)
<b>Cash flow before Extraordinary items</b>	<b>107,006,399</b>	<b>26,405,398</b>
- Interest paid	(20,996,39)	(33,293,914)
- Taxes paid	(736,342)	-
<b>Net Cash flow before extraordinary items</b>	<b>85,273,618</b>	<b>(59,699,312)</b>
- Extraordinary & Prior period items	42,76,702	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>89,550,320</b>	<b>(59,699,312)</b>
<b>B. CASH FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(2,267,008)	(1,01,926)
Interest Received	403,647	1,84,102,470
Long Term Loans & Advances	(8,375,898)	3,019,042
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(10,239,259)</b>	<b>(1,87,019,586)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	(80,000,000)	(1,26,318,246)
Long Term Provisions	(498,674)	(888,344)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(80,498,674)</b>	<b>(1,27,206,590)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(1,187,613)</b>	<b>113,684</b>
Opening Cash and cash equivalents	1,700,188	1,586,499
<b>Closing Cash and Cash equivalents</b>	<b>512,575</b>	<b>1,700,183</b>

As per our Report of even date  
**for K.R. Shekher & Co.,**  
Chartered Accountants  
Firm Reg. No. : 0108285

Sd/-  
**Rajashekhhar Kaparti**  
Partner  
Membership No: 214810  
Place : Hyderabad  
Date : 30.05.2019

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

Sd/-  
**D.V.S. Krishna Teja**  
**Managing Director**  
DIN No. 0707683

Sd/-  
**Bala Gopal Addepalli**  
**Managing Director**  
DIN No. 01712903

Sd/-  
**V. Satish Kumar**  
**C.F.O.**  
PAN: ACLPV7670E

**SANGAM HEALTH CARE PRODUCTS LIMITED**  
**Notes annexed to and forming part of the Financial Statements**

**Note 1 : Background**

Sangam Health Care Products Limited ("the Company") is engaged in the business of manufacturing and trading of medical products.

**Note 2 : Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016] and other relevant provisions of the Act.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (Previous GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2014.

**Note 2.1 : Basis of Preparation of financial statements**

The financial statements have been prepared in accordance with the historical cost convention and presented in INR.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

**Note 2.2 : Use of estimates, assumptions and judgements**

The preparation of financial statements in conformity with Ind AS requires management of the Company to make estimates and assumptions and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Examples of such estimates include future obligations under employee retirement benefit plans, recognition of deferred tax assets and useful lives of fixed assets. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**Note 2.3 : Revenue recognition**

a) Revenue from the sale of Medical Products is recognised on the basis of the number of units of products sold undertaken with Sundry debtors at the rates prevailing on the date of export as determined by the agreement/feed-in-tariff policy/market rates as applicable less the wheeling and banking charges applicable if any.

Claims for delayed payment charges and other claims, if any, in which the company is entitled is accounted only when there is no uncertainty associated with the collectability of the claims.

(b) Insurance claims are recognized as and when the claims are received from the Insurer.

(c) Interest income is recognized in the year in which it is accrued and stated at gross using effective interest rate method.

**Note 2.4 : Property, Plant and Equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Freehold land is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items and borrowing cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance expenditure are charged to profit and loss during the period in which they are incurred.

Depreciation is provided on the basis of straight line method and charged over useful life as per the manner prescribed in Schedule II to the Companies Act, 2013.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

Useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**Note 2.5 : Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognised at the proceeds, net of direct costs of the capital issue.

**Note 2.6 : Financial assets**

The Company recognises a financial asset (including investments, trade receivables, loans and advances) at transaction price when it becomes a party to the contractual obligations. The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Financial assets are tested for impairment based on the expected credit losses.

Financial assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership of the asset to another entity. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

**Expected credit loss**

Expected credit losses are assessed based on an evaluation of the collectability of receivables. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.

**(i) Trade Receivables**

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

**(ii) Other financial assets**

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.

**Note 2.7 : Financial liabilities**

Financial liabilities (including borrowings, other financial liabilities and trade and other payables) are initially recognized at the value of respective contractual obligations and subsequently measured at amortised cost .

Financial liabilities are derecognized when the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

**Note 2.8 : Impairment of non-financial assets**

Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of the money and risk specific to the asset or CGU.

**Note 2.9 : Borrowing costs**

Borrowing costs directly attributable to acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use are also included as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are recognized as expense in the year which they are incurred and charged to statement of Profit and Loss.

**Note 2.10 : Inventories**

Stores and spares, consumables are stated at cost or below. Cost is determined on weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

**Note 2.11 : Employee Benefit****Provident fund**

Retirement benefit in the form of provident fund is a defined contribution scheme and the contribution are charged to the Statement of Profit and Loss of the year when the contribution to the respective funds is due. There are no other obligations other than the contribution payable to the respective authorities.

**Gratuity**

Gratuity is a post employment defined benefit plan. The liability recognized in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date, together with adjustments for past service costs. An independent actuary using the projected unit credit method calculates the defined benefit obligation annually. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in Other Comprehensive Income (OCI).

**Compensated absences**

Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year in which such gains or losses arises.

**Note 2.12 : Taxes on income****Current tax**

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with The Income Tax Act, 1961 of India.

**Deferred tax**

Deferred tax charge or credit reflects the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

**Note 2.13 : Earnings per share**

Basic earnings per share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**Note 2.14 : Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at bank, and short-term deposits with an original maturity period of three months or less.

**Note 2.15 : Provisions and contingent liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



## 3. Tangible Assets

Assets	Gross Block			Depreciation			Net Block			
	As at 1-04-2018	Additions	Deletions/ Adjustments	As at 01-04-2019	As at 01-04-2018	For the Year	Deletions/ Adjustments	As at 01-04-2019	As at 31-03-2019	As at 31-03-2018
Land	79,050,000	-	-	79,050,000	-	-	-	-	79,050,000	79,050,000
Buildings	65,130,130	-	-	65,130,130	24,572,011	1,778,065	-	26,350,077	38,780,053	40,558,119
Plant & Machinery	268,495,574	2,267,000	-	270,762,574	191,409,854	11,811,600	-	203,221,453	67,541,121	77,085,720
Electrical Installations	19,425,551	-	-	19,425,551	18,018,962	767,652	-	18,786,614	638,937	1,406,589
Lab Equipments	8,086,382	-	-	8,086,382	7,045,557	641,905	-	7,687,461	398,921	1,040,825
Computers	1,895,096	-	-	1,895,096	1,850,943	14,271	-	1,865,214	29,882	44,153
Office Equipment	1,441,408	-	-	1,441,408	1,434,492	-	-	1,434,492	6,916	6,916
Furniture & Fixtures	2,586,171	-	-	2,586,171	2,554,809	12,935	-	2,567,744	18,427	31,362
Vehicles	3,447,411	-	-	3,447,411	3,385,792	-	-	3,385,792	61,619	61,619
<b>Total</b>	<b>449,557,723</b>	<b>2,267,000</b>	<b>-</b>	<b>451,824,723</b>	<b>250,272,420</b>	<b>15,026,427</b>	<b>-</b>	<b>265,298,848</b>	<b>186,525,883</b>	<b>199,285,303</b>
<b>Previous Year</b>	<b>449,455,796</b>	<b>101,927</b>	<b>-</b>	<b>449,557,723</b>	<b>235,043,928</b>	<b>15,228,492</b>	<b>-</b>	<b>250,272,420</b>	<b>199,285,303</b>	<b>214,411,868</b>

**Note 4 Other Assets**

	As at March 31, 2019	As at March 31, 2018
<b>Non-current Assets</b>		
Security deposits		
Deposits with Government Authorities	33,59,223	33,59,223
<b>Total</b>	<b>33,59,223</b>	<b>33,59,223</b>

**Note 5.1: Trade receivables**

	As at March 31, 2019	As at March 31, 2018
More than six months	15,45,458	-
Less than six months	19,23,623	83,148
<b>Total</b>	<b>34,69,081</b>	<b>83,148</b>

**Note 5.2: Cash and bank balances**

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	4,556	58,506
Balances with banks		
- In current accounts		1,641,682
KOTAK BANK-KNR-6912456133	7550	
Karur Vysya Bank Ltd A/C.No.1404135000006078	10,454	
kotak bank-356	464,611	
SBI-CURRENT A/C.62263238738(Commerical Branch)	(78,018)	
SBI- IFB	78,511	
andhra bank	24,911	
<b>Total</b>	<b>512,575</b>	<b>17,00,188</b>

**Note 5.3 : Inventories**

	As at March 31, 2018	As at March 31, 2017
Raw Material	5,131,101	15,45,151
Packing Material	3,403,484	8,31,696
Work In Process	6,560,286	10,67,670
Finished Goods	12,380,247	52,87,754
Consumables & Stores and Spares	257,980	2,70,898
<b>Total</b>	<b>27,733,098</b>	<b>90,03,169</b>

**Note 6: Financial assets  
Others**

	As at March 31, 2018	As at March 31, 2017
MAT Credit Entitlement	63,39,337	63,39,337
TDS Recivable	40,365	3,94,152
Other Deposit	-	10,13,667
Advances for Plant & Machinery	9,349,200	-
Balance with statutory / government authorities		
GST Input	8820	6,11,154
Interest Receivable	363282	17,002
<b>Total</b>	<b>16101004</b>	<b>83,75,312</b>

**Note 7: Equity share capital**

	As at March 31, 2019		As at March 31, 2019	
	Number of shares	Amount	Number of Shares	Amount
<b>Authorised</b>				
Equity shares of Rs. 10 each	15,00,00,000	1,50,00,00,000	15,00,00,000	1,50,00,00,000
<b>Issued</b>				
Equity shares of Rs. 10 each	1,48,60,700	14,86,07,000	1,48,60,700	14,86,07,000
<b>Subscribed and Paid-up</b>				
Equity shares of Rs. 10 each fully paid-up	1,48,60,700	14,86,07,000	1,48,60,700	14,86,07,000
<b>Total</b>	<b>1,48,60,700</b>	<b>14,86,07,000</b>	<b>1,48,60,700</b>	<b>14,86,07,000</b>

**b. Reconciliation of the number of equity shares outstanding and the amount of share capital**

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	-	-	-	-
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	-	-	-	-

**c. Terms / rights attached to equity Shares**

The company has one class of equity shares having a par value of Rs.10 per share. 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 shareholdings.

**d. Shares in the company held by each shareholder holding more than 5 percent**

	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% of holding	Number of Shares held	% of holding
M/S.Boin Medica Co Ltd	12,40,260	8.35%	12,40,260	8.35%
Addepalli Balagopal	30,01,000	20.19%	30,01,000	20.19%
D.V.S.Sharma	25,00,000	16.82%	25,00,000	16.82%
G.Ramana	22,55,140	15.18%	22,55,140	15.18%
G.Padma	20,00,000	13.46%	20,00,000	13.46%

\* Includes 10 Equity shares of Rs. 10 each fully paid up held by nominee.

**Note 8: Other equity**

	As at March 31, 2019	As at March 31, 2018
<b>Retained earnings</b>		
Revaluation Reserve	7,70,01,003	7,70,01,003
Balance at beginning of the year	(404,661,631)	(45,55,42,228)
Profit for the year	(20,280,823)	7,44,40,633
Write off TDS Receivable	(394,152)	-
Other comprehensive income/(loss) for the year	-	60,19,491
Initial Recognition of the fair value	-	1,21,32,810
<b>Balance at the end of the year</b>	<b>(348,335,603)</b>	<b>(28,59,48,291)</b>
<b>Total other equity</b>	<b>(348,335,603)</b>	<b>(28,59,48,291)</b>

**Non-Current Liabilities**  
**Note 9 Borrowings**

	As at March 31, 2019	As at March 31, 2018
<b>Non-current Secured Term loans</b>		
From banks	-	8,00,00,000
Deferred payment liabilities		
Interest-free sales Tax deferral loan from state government	78,15,495	78,15,495
<b>Unsecured Loans</b>		
From Individuals other than banks		
Dr.D.v.s sharma	-	32,10,555
A.balagopal	-	2,65,46,903
D.V.S.Krishna teja	-	28,46,528
Ghanakota Ramana	-	8,90,9675
saswata gupta	-	6,08,355
Dr.D.V.S. SHARMA & G.RAMANA	-	76,04,437
bhagat reddy	-	75,91,951
G.padma	-	2,62,147
Dr.Sharma	-	17,47,644
<b>Total</b>	<b>78,15,495</b>	<b>13,91,24,982</b>
<b>Current Term loans</b>		
From banks	124,44,487	2,00,00,000
Working Capital	203,08,010	-
Deferred payment liabilities	91,37,679	91,37,679

<b>Unsecured Loans</b> from Individuals other than banks		
L.S.Patil	-	4,276,702
G.PADMA	100,000	-
Dr.Sharma	4,000,000	-
G.RAMANA	2,500,000	-
BHAGAT REDDY	5,257,508	-
DR.D.V.S.SHARMA	7,249,941	-
D.V.S TEJA KRISHNA	5,399,812	-
SASWATA GUPTA	774,000	-
A.BALAGOPAL	123,920,534	-
D.V.S SHARMA & GHNANAKOTA RAMANA	12,500,000	-
<b>Total</b>	<b>203,591,971</b>	<b>33,414,381</b>

**Note 10: long term provisions**

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Provision for gratuity	69,80,261	74,78,935
<b>Total</b>	<b>69,80,261</b>	<b>74,78,935</b>

**Note 11.1 : Trade payables**

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Dues to Micro, Small and Medium Enterprises	4,68,646	-
Dues to other than Micro, Small and Medium Enterprises	39,521,467	5,24,32,290
<b>Total</b>	<b>39,990,113</b>	<b>5,24,32,290</b>

**Note 11.2 : Other financial liabilities**

	As at March 31, 2019	As at March 31, 2018
Advances From customers	6,196,019	49,690,674
Salaries and Wages payable	4,345,104	6,324,235
Salaries Arrears payables	-	482,246
Marketing Salaries - Field Staff Payable	600,000	600,000
Directors Remuneration Payable	840,000	840,000
Provident fund payable	398,768	9,044,749
ESI contribution payable	952,732	1,285,158
Interest Payable on statutory dues	4,272,807	4,272,807
Bonus payable	1,389,021	1,484,910
Electricity Charges Payable	867,472	958,820
Other Expenses Payable	3,541,693	4,408,283
Deposits	130,000	130,000
interest & processing fee paybale-kotak	-	1,226,575
Other Advance payable	1,287,518	-
Audit fee payable	400,000	200,000
<b>Taxes Payable</b>		
- Professional tax payable	332,750	80,400
- TDS payable	196,703	784,225
<b>Total</b>	<b>25,750,587</b>	<b>81,813,082</b>

**Note 12: Other current liabilities**

	As at March 31, 2019	As at March 31, 2019
Tax Provision		7,36,342
Sri Siri Constructions	-	2,93,19,994
Advance From Ramraj on sale of land	140,000,000	-
<b>Total</b>	<b>140,000,000</b>	<b>3,00,56,336</b>

**Note 13: Revenue from operations**

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Sale of Products	234,796,162	23,17,08,250
Less: Excise Duty	-	26,62,323
Less: VAT/Sales Tax	-	10,51,783
Less: GST	24,404,125	1,91,04,102
<b>Total</b>	<b>210,392,037</b>	<b>20,88,90,042</b>

**Note 14: Other Income**

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Interest Income (Central Power Distribution AP Ltd.)	403,647	66,905
Other Non-operating Income	-	18,40,35,565
<b>Total</b>	<b>403,647</b>	<b>18,41,02,470</b>

**Note 15.1: Operating expense**

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Cost of materials consumed	104,149,374	11,77,56,387
Changes in inventories of finished goods and work-in-progress	(12,585,109)	3,27,66,459
Salaries, Wages, Bonus etc.	47,251,998	4,29,90,090
Contribution to P.F, E.S.I and Other Statutory Funds	5,782,847	42,73,025
Workmen and Staff Welfare Expenses	941,599	7,52,896
<b>Total</b>	<b>145,540,709</b>	<b>19,85,38,857</b>



**Note 15.2: Finance cost**

	As at March 31, 2019	As at March 31, 2018
<b>Interest expense</b>		
Interest	234,796,162	3,01,56,674
Bank Service Charges	1,119,864	3,137,240
<b>Total</b>	<b>20,996,439</b>	<b>3,32,93,914</b>

**Note 15.3 : Other expenses**

	As at March 31, 2019	As at March 31, 2018
Audit Fees	200,000	200,000
Consumptions of Store and Spares	3,094,327	2,316,242
Power and Fuel	14,339,297	14,413,827
Factory Maintenance	944,134	782,543
Insurance	56,199	508,332
Rates and Taxes	810,330	325,550
Security Charges	673,412	709,252
Travelling & Conveyance Expenses	291,398	781,867
Job Work Charges	8,763,759	10,456,737
Printing & Stationery	160,652	119,694
Computer Maintenance	-	1,130
Telephone Expense	151,530	123,744
Vehicle Maintenance	505,028	4,057
Other General Expenses	3,438,636	2,422,613
Marketing Expenses	11,561,632	6,327,537
Carriage Outwards	8,530,202	8,375,984
sales tax exp	-	5,102,292
Remuneration to directors	-	1,200,000
Consultancy and Legal Charges	960,390	2,274,898
Office Maintenance	325,559	184,025
Provident Fund Damages Deposits Written off	509,737	-
<b>Total</b>	<b>55,316,222</b>	<b>56,630,324</b>

As per our Report of even date  
for **K.R. Shekher & Co.**,  
Chartered Accountants  
Firm Reg. No. : 0108285  
Sd/-

**Rajashekhhar Kaparti**  
Partner  
Membership No: 214810  
Place : Hyderabad  
Date : 30.05.2019

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

Sd/-  
**D.V.S. Krishna Teja**  
Managing Director  
DIN No. 0707683

Sd/-  
**Bala Gopal Addepalli**  
Managing Director  
DIN No. 01712903

Sd/-  
**V. Satish Kumar**  
C.F.O.  
PAN: ACLPV7670E

**Note 16: Extra Ordinary Items**

	As at March 31, 2019	As at March 31, 2018
Written off Current Liability L.S. Patil	42,76,702	-
<b>Total</b>	<b>42,76,702</b>	<b>-</b>

Notes annexed to and forming part of the Financial Statements

Note 17: Related party disclosures

Names of related parties and description of relationship:

Name of the Person/Firm	Description of Relationship
Sri Siri Constructions	Director as Partner
Sri Sai Gravure Prints	Director as Partner
Sri Sai Health Care	Director as Partner
V . Satish Kumar	CFO
G Padma	Director
A.Bala Gopal	Director

Direct or indirect subsidiaries of ultimate holding company with which transactions have taken place

The details of the related party transactions entered into by the Company during the year ended March 31, 2018 and balances as at March 31, 2018 are as follows:

Particulars of transactions	As at March 31, 2019	As at March 31, 2018
<b>G Padma</b>		-
Loan taken	600,000	600,000
Loan repaid	500,000	-
Balance payable	700,000	600,000
<b>A.Bala Gopal</b>		
Opening Balance	43,040,443	34,714,499
Loan taken	80,880,091	16,149,111
Loan repaid	-	6,024,511
Balance payable	123,920,534	43,040,443

**Note 18: Earnings Per Share (EPS)**

(Amt. in Rs.)

	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Nominal Value of Equity Shares (Rupees per Share fully paid-up)	10	10
Profit after Tax (in Rs.)	-20,280,823	7,37,36,954
Weighted average number of Equity shares outstanding during the year	14,860,700	1,48,60,700
Earnings Per Share (in Rs.) – Basic and diluted	-1.36	5.37

**Notes annexed to and forming part of the Financial Statements****Note 19: Financial risk management**

The Company's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses to minimise potential adverse effects on the Company's financial performance. The financial instruments of the Company comprise borrowings from banks/other lenders, cash and cash equivalents, bank deposits, trade receivables and other assets, trade payables and other financial liabilities and payable.

**Market risk**

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated into a) Foreign exchange risk and b) Interest rate risk

**a) Foreign exchange risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no significant transactions in foreign currency, hence there are no foreign currency exchange risks.

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no significant transactions in foreign currency, hence there are no foreign currency exchange risks.

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest-bearing assets other than investment in bank deposits. The Company's income and operating cash flows are substantially independent of changes in market interest rates.

As the Company's borrowing carries fixed rate of interest and these debts are carried at amortised cost, there is no interest rate risk to the Company.

**c) Credit risk**

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's credit risk arises from accounts receivable balances on sales to customers.

Company's revenue is derived from sales to state owned utilities under long-term power purchase agreements, hence potential risk of default is predominantly a governmental one.

The company maintain banking relationships with only credit worthy banks, which it reviews on an ongoing basis.

The maximum exposure to credit risk for bank deposits and bank balances at the reporting date is the fair value of the amount disclosed in Note.7.2

Trade receivables that are due for more than one month are considered past due. These receivables have been considered as fully recoverable based on the evaluation of terms implicit in the contracts with customers, legal opinions and other pertinent factors .

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and maintaining adequate credit facilities.

In respect of its existing operations, the Company funds its activities primarily through long-term loans secured against the power plant. The Company's objective in relation to its existing operating business is to maintain sufficient funding to allow the plants to operate at an optimal level.

The Company believes that the net cash flows expected to be generated from the operations shall be sufficient to meet the operating and finance costs.

**Note 20: Segment information**

The Company operates in Single Business Segment of Generation of Power and in a Single Geography. Accordingly disclosure requirements of Ind AS 108, 'Operating Segments' as notified under Section 133 of the Companies Act, have not been furnished.

**Note 21.** Deferred Tax Asset to be recognized only when there is a virtual certainty that the created Deferred Tax Asset would be adjusted /recovered. Hence on a prudence basis, Deferred Tax Asset has not been recognized during the current year.

**Note 22.** The information regarding micro, small and medium enterprises has been identified on the basis of information available with the company. Based on the information available with the Company, there are no micro, small and medium enterprises to whom the company has paid interest or any interest payable on outstanding (under the provisions of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006) during the year ending March 31, 2019.

**Note 23: Adoption of Ind AS**

These financial statements, for the year ended 31 March 2017, have been prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company prepared its annual financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 ('Indian GAAP' or 'previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ended 31 March 2017, together with the comparative period data, as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements.

**Exemptions applied:**

Ind AS allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following material exemption: The Company has elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment as per the statement of financial position prepared in accordance with previous GAAP.

**Note 24. Standards issued but not effective:**

In March 2017, the Ministry of Corporate Affairs issued the (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to Company from 1 April 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

**Note 25.**

During the year the company had entered various transactions with its associated parties for supply of goods / purchase of goods. In this connection the Company is required to maintain certain documents for the transaction in accordance with the provisions of Chapter X of the Income Tax Act 1961 in order to compute arm's length price of transaction. The management is in process of making necessary documents to support transactions.

**Note 26. Confirmation of Closing Balances:**The balances of Sundry Debtors, Sundry Creditors, Loans and advances payable(including Advance from customers) or receivable and regarding the classification of long term loans under on demand loans are taken as per books and they are subject to confirmation and reconciliation as the confirmation are awaited.

**Form No. MGT-11**

**PROXY FORM**

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

CIN : L24230TG1993PLC016731

Name of the Company : SANGAM HEALTH CARE PRODUCTS LIMITED

Registered Office : 205 & 206, Amarchand Sharma Complex, S P Road, Secunderabad-3. Telangana State

**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: .....

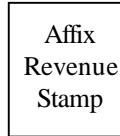
Signature ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the company, to be held on Monday, the 30th day of September 2019 at 2.00 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:

**Resolution No.**

1. Approval of financial statements for the year ended 31.03.2019.
2. Appointment of Mrs.PadamaGhanakota as Director who retires by rotation.
3. Re-appointment of Mr.Bala Gopaladdepalli (DIN: 01712903) as Managing Director of the company
4. Appointment of Mr. Kushwanth Singh as Independent Director

Signed this ..... day of..... 2019



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.

**SANGAM HEALTH CARE PRODUCTS LIMITED**  
**205, 206, Amarchand Sharma Complex, S.P. Road, Secunderabad - 500002, Telangana**

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### ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 25<sup>th</sup> Annual General Meeting of the members to be held on Monday, 30.09.2019 at 2.00 p.m. at 205, 206, Amarchand Sharma Complex, S.P. Road, Secunderabad - 500002, Telangana and at any adjourned meeting thereof.

Shareholders/Proxy's Signature \_\_\_\_\_  
Shareholders/Proxy's full name \_\_\_\_\_  
(In block letters)

Folio No./ Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

**Note:**

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

**Form No. MGT-12****POLLING PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

CIN: L24230TG1993PLC016731

Name of the company: Sangam Health Care Products Limited

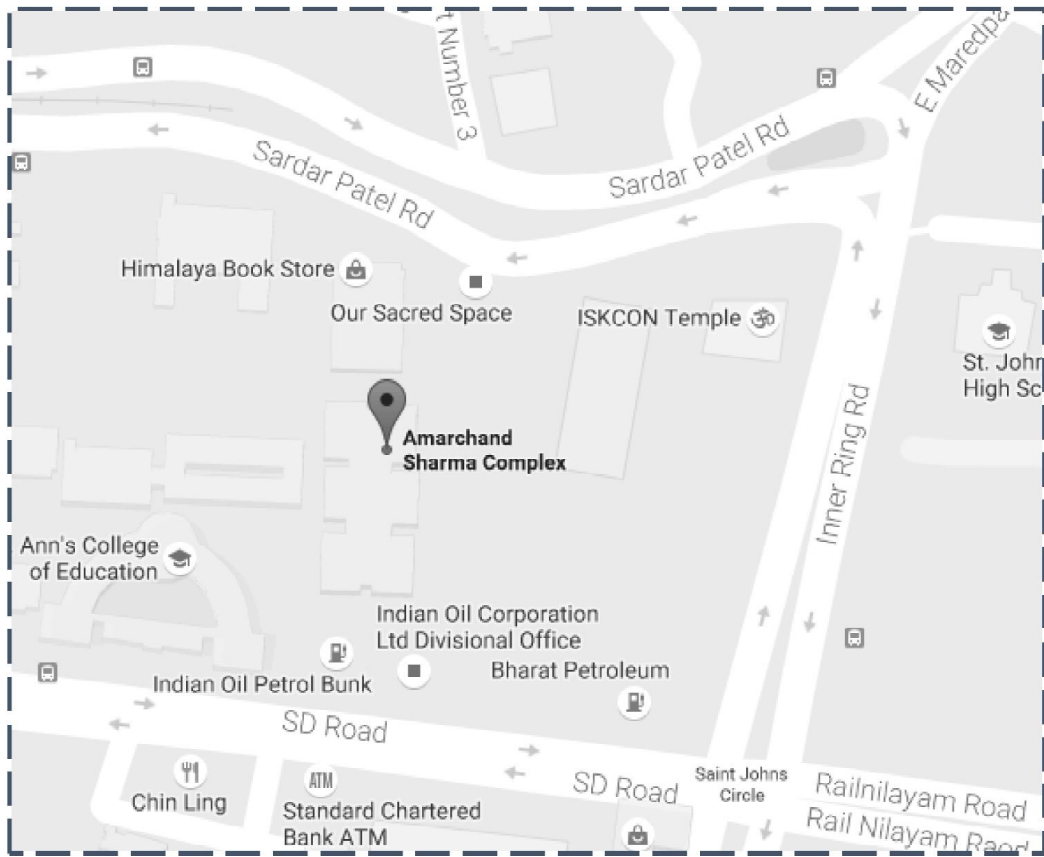
Registered office: 205, 206, Amarchand Sharma Complex, S.P. Road, Secunderabad - 500002, Telangana

**BALLOT PAPER**

Sl. No	Particulars	Details		
1.	Name of the First Named Shareholder (In block letters)			
2.	Postal address			
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)			
4.	Class of Share			
I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:				
No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Approval of financial statements for the year ended 31.03.2019.			
2.	Appointment of Mrs. Padma Ghanakota as Director who retires by rotation.			
3.	Appointment of Mr. Bala Gopal Addepalli (DIN: 01712903) as Managing Director of the company			
4.	Reappointment of Mr. Khushwantsingh as an independent director of the company			
Place: Hyderabad Date: 30.09.2019				
(Signature of the shareholder)				



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 25<sup>th</sup> ANNUAL GENERAL MEETING IS GIVEN BELOW:



**BOOK POST**

**IF UNDELIVERED, PLEASE RETURN TO :**

**SANGAM HEALTH CARE PRODUCTS LTD.**

205 & 206, Amar Chand Sharma Complex,  
S.P. Road, Secunderabad - 500 003.

