

To,

Date: 24.08.2020

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

Dear Sir/ Madam,

**Sub: Annual report for the year 2019-20**

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

Pursuant to Regulations 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, please find enclosed herewith Annual Report for the Financial Year 2019-20.

The aforesaid documents are available on the website of the company and are being dispatched electronically to shareholders whose email address are registered with the company and depositories.

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

Thanking you.

Yours faithfully,  
For Sangam Health Care Products Limited

Sd/-  
A. Bala Gopal  
Managing Director  
DIN: 01712903

Encl. as above

**SANGAM HEALTH CARE PRODUCTS LIMITED**

**26<sup>TH</sup> ANNUAL REPORT**

**2019-2020**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS:**

Mr. A. Bala Gopal	-	Chairman and Managing Director (DIN: 01712903)
Mrs. Padma Ghanakota	-	Non-Executive Director (DIN: 07078176)
Mr. Rajesh Kakkera	-	Independent Director (DIN: 07931218)
Mr. M. Madhavarao	-	Independent Director (DIN: 07931672)

### **CHIEF FINANCIAL OFFICER:**

Mr.Satish Kumar Varre

### **COMPANY SECRETARY:**

Mrs. Sharvari Swapnil Shinde

### **REGISTERED OFFICE:**

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

### **FACTORY I:**

Survey No.182, Yellampet Village,  
Medchal Mandal, Medchal District, Telangana-501401

### **FACTORY -II:**

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

### **STATUTORY AUDITORS:**

M/s M.M Reddy & Co.  
Chartered Accountants  
Hyderabad.

### **SECRETARIAL AUDITOR:**

M/s. S.S Reddy & Associates,  
Practicing Company Secretary,  
Hyderabad

### **BANKERS:**

State Bank of Hyderabad

**AUDIT COMMITTEE:**

Mr. M. Madhavarao	-	Chairman
Mr. Rajesh Kakkera	-	Member
Mrs. Padma Ghanakota	-	Member

**NOMINATION & REMUNERATION COMMITTEE:**

Mr. M. Madhavarao	-	Chairman
Mr. Rajesh Kakkera	-	Member
Mrs. Padma Ghanakota	-	Member

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Mr. M. Madhavarao	-	Chairman
Mr. Rajesh Kakkera	-	Member
Mrs. Padma Ghanakota	-	Member

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Mr. M. Madhavarao	-	Chairman
Mr. Rajesh Kakkera	-	Member
Mrs. Padma Ghanakota	-	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](mailto:xlfield@gmail.com)

**LISTED AT:** BSE Limited

**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 26<sup>th</sup> Annual General Meeting of the Shareholders of Sangam Health Care Products Limited will be held on Tuesday, the 15<sup>th</sup> day of September, 2020 at 02:00 p.m. through Video Conferencing (VC)/Other audio visual means (OAVM), to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2020, 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 M/s. M.M Reddy & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the company.

To consider and if thought fit, to pass the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 139,141 142 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time (‘the Act’), read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force), pursuant to SEBI (LODR) Regulations, 2015 and recommendation of Audit Committee, M/s. M.M Reddy & Co., be and is here by appointed as the Statutory Auditors of the Company to fill casual vacancy caused by resignation of Mr. M. Ramakrishna w.e.f 06.03.2020 and to hold the office from the conclusion of this Annual General Meeting till the conclusion of 31<sup>st</sup> Annual General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things, matters, as may be necessary, expedient and incidental thereto to give effect to the above resolution including filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard.”

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

**Place: Secunderabad  
Date: 19.08.2020**

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

## Notes:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Ordinary/Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
2. 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.
3. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 09.09.2020 to 15.09.2020 (Both days inclusive).
4. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in). The Notice can also be accessed from the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. [www.evotingindia.com](http://www.evotingindia.com)).
10. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 12.09.2020 at 09.00 A.M and ends on 14.09.2020 at 05.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 08.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders - please provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- 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 linked in the login 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [Sangamlisting@gmail.com](mailto:Sangamlisting@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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) or contact Mr. Nitin Kunder(022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

**Place: Secunderabad  
Date: 19.08.2020**

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

## **EXPLANATORY STATEMENT**

### **Pursuant to Section 102(1) of the Companies Act, 2013**

#### **ITEM NO 3:**

Mr. M. Ramakrishna, Chartered Accountant, Hyderabad has tendered his resignation from the position of Statutory Auditor due to absence of qualified staff and not being in a position to devote further time to the affairs of the company, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Casual vacancy caused by the resignation of auditors can only be filled up by the Company in general meeting. The board proposes that M/s. M.M Reddy & Co., Chartered Accountants, Hyderabad, be appointed as the Statutory Auditors of the Company.

M/s. M.M Reddy & Co is a Chartered Accountant Firm registered with Institute of Chartered Accountants of India with Firm Registration No. 006492S is a very experienced professional with over 20 years of practical experience and significant experience in conducting audit of listed companies. It has experienced staff to assist it in performing mission critical assignments to clients. The staff operates in a highly computerised environment and make use of the latest technologies to shorten delivery time to the client while maintaining the highest standards of quality in every assignment.

M/s. M.M Reddy & Co., Chartered Accountants, Hyderabad, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013. The new Auditor, if appointed, shall hold the office of the Statutory Auditors of the Company from the conclusion of this meeting till the conclusion of 31<sup>st</sup> Annual General Meeting.

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:

1. It is proposed to pay remuneration of Rs.2,00,000/- Per annum towards statutory audit, quarterly 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 tenure of appointment and such remuneration and expenses thereafter as may be mutually agreed between the Company and the said Statutory Auditors.

2. There is an increase in the fees payable to M/s. M.M Reddy & Co., Chartered Accountants from the fees paid to outgoing Auditor Mr. M. Ramakrishna., Chartered Accountants due to increase in the scope of work. The Board, including relevant committee(s) thereof, shall be given the power to agree, alter and vary the terms and conditions of such appointment, remuneration etc as and when required.

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.

None of the Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the resolution as set out in the notice.

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

**Place: Hyderabad  
Date: 19.08.2020**

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

## **DIRECTORS' REPORT**

### **To the Members,**

The Directors have pleasure in presenting before you the 26<sup>th</sup> Directors' Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2020. The Company's performance is summarized below:

### **1. FINANCIAL SUMMARY/HIGHLIGHTS/STATE OF COMPANY'S AFFAIRS:**

The performance during the period ended 31<sup>st</sup> March, 2020 has been as under:

Particulars	Standalone	
	2019-2020	2018-2019
Total Income	2182.33	2107.95
Total Expenses	2132.28	2368.78
Profit Before Exceptional and Extraordinary Items and Tax	50.05	(260.86)
Exceptional Items	(291.54)	(42.76)
Profit Before Tax	341.59	(218.07)
Current tax	0	0
Deferred tax	63.84	(15.27)
Net profit After tax	405.43	(202.8)

### **2. REVIEW OF OPERATIONS:**

During the year under review, the Company has recorded a total income of Rs. 2182.33 lakhs and profit of Rs. 405.43 lakhs for the financial year ending 31.03.2020 as against the total income of Rs. 2107.95 lakhs and loss of Rs. 202.8 lakhs in the previous financial year ending 31.03.2019.

### **3. MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes and commitments affecting financial position of the company between 31<sup>st</sup> March, 2020 and the date of Board's Report. (i.e. 19.08.2020) except the effect of the pandemic COVID – 19 due to which the factory was inoperative up to Forty-Five days approximately.

#### **4. 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.

#### **5. DIVIDEND:**

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

#### **6. 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.

In this direction, the company has received in-principle approval from BSE vide letter LIST/ COMP/SK/317/2019-20 dated 28.02.2020. The company is working towards getting the trading started on BSE within a year.

#### **7. 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.

#### **8. BOARD MEETINGS:**

The Board of Directors duly met 12 (twelve) times on 03.05.2019, 17.05.2019, 30.05.2019, 03.06.2019, 29.06.2019, 14.08.2019, 03.09.2019, 14.11.2019, 26.11.2019, 07.12.2019, 14.02.2020 and 24.02.2020 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.

#### **9. 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.



## **10. 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 except for in principle approval from BSE as mentioned earlier in the report.

## **11. 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.

## **12. 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.

## **13. 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.

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

During the period under review following were the Directors/ Key Managerial Personnel resigned/ vacated office during the financial year 2019-20 including between the financial year ended 31<sup>st</sup> March 2020 and date of Board’s report (i.e19.08.2020):

<b>S. No</b>	<b>Name of the Directors/ KMP</b>	<b>Designation</b>	<b>Date of Cessation/ Vacation</b>
1	D.V.S Krishna Teja	Director	03.09.2019
2	Suresh Adoni	Additional Director	30.09.2019
3	L.S Patil	Director	24.02.2020
4	Khushwant Singh	Independent Directors	26.06.2020
5	RamuChaganti	Independent Directors	26.06.2020
6	DayashreeManjayya Shetty	Company Secretary	17.05.2019

The Board also noted that the Independent Directors Mr. Khushwant Singh and Mr. Ramu Chaganti confirmed that there is no other material reason other than personal commitments.

During the period under review following were the Directors/ Key Managerial Personnel appointed/reappointed during the financial year 2019-20:

- Mrs. Padma Ghanakota, was re-appointed at the 25<sup>th</sup> Annual General Meeting held on 30.09.2019 as director who retired by rotation and being eligible offered herself for re-appointment.
- Mr. A. Bala Gopal was appointed as Managing Director for a period of three years with effect from 29.06.2019 with the approval of members in the 25<sup>th</sup> Annual General meeting held on 30.09.2019.
- Mr. Khushwant Singh was re-appointed as Independent Director of the company for a second term of 5 consecutive years in the 25<sup>th</sup> Annual General Meeting held on 30.09.2019. However, he resigned on 26.06.2020.
- Mrs. Sharvari Swapnil Shinde was appointed as Company Secretary in the Board Meeting held on 26.11.2019 with immediate effect.

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

<b>Name of the Director</b>	Mrs. Padma Ghanakota
<b>Date of Birth</b>	17.08.1964
<b>Date of Appointment</b>	25.03.2015
<b>Expertise in specific functional areas</b>	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.

<b>Qualifications</b>	Commerce Graduate
<b>Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships</b>	--
<b>Inter se relationship among Directors</b>	Wife of Mr. Bala Gopal Addepally & relative of Mr. D.V.S. Krishna Teja
<b>Disclosure of Shareholding</b>	20,00,000

## **15. 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.

## **16. 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/>

## **17. 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.

## **18. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:**

The Company has received declarations from Mr. Rajesh Kakker 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.

## **19. 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.

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

The company does not have any subsidiaries/Associate companies.

**21. DETAILS IN REPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUBSECTION (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).

**22. STATUTORY AUDITORS:**

The Board informed the members in the notice and explanatory statement annexed to it that Mr. M. Ramakrishna, Chartered Accountant, Hyderabad have tendered their resignation from the position of Statutory Auditor resulting in casual vacancy in the office and proposed the appointment of M/s. M.M Reddy & Co as a statutory Auditor of the company to hold office from the conclusion of this meeting till the conclusion of 31<sup>st</sup> Annual General Meeting subject to approval.

**23. 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.

**24. 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 M/s. S.S Reddy & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit carried out for FY 2019-20 is annexed as the part of the annual report.

## 25. 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, 2020 and has noted the same and the details for qualifications/observation are discussed in detail in Audit Report attached to it.

### (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 the qualifications/ observations are discussed in detail in Secretarial Audit Report attached to it.

## 26. 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)	:	362.91
Electricity (kwh) per Lakh Nos	:	4605.92
Furnace Oil (Ltrs)	:	NIL
Coal	:	NIL
Others	:	NIL

### B. Technology Absorption: NIL

- the efforts made towards technology absorption;
- the benefits derived like product improvement, cost reduction, product development or import substitution
- in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
  - (e) the expenditure incurred on Research and Development.

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

## **27. 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, reconstituted in the Board Meeting held on 26.06.2020 due to resignation of Mr. Khushwant Singh. The composition of CSR is as follows:

<b>S. No</b>	<b>Name of the Members</b>	<b>Designation</b>
<b>1</b>	M. Madhavarao	Chairman
<b>2</b>	Rajesh Kakkera	Member
<b>3</b>	Padma Ghanakota	Member

## **28. 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.

## **29. INSURANCE:**

The properties and assets of Company are adequately insured.

## **30. 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.

## **31. 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.

**32. 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.

**33. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in).

Your Directors draw attention of the members to Notes to Accounts attached to the financial statement which sets out related party disclosures.

**34. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable for the financial year 2019-20.

**35. 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.

**36. 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. The composition of committee is as follows:



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

All employees are covered under this policy. During the year 2019-20, there were no complaints received by the Committee.

**37. DELISTING OF EQUITY SHARES FROM BSE:**

The company is suspended from trading on BSE but continues to be listed. The company was not delisted from the exchange during the FY 2019-20.

**38. 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.

**39. 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.

**40. 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.

**41. CREDIT & GUARANTEE FACILITIES:**

No Working capital and Cash credits in any banks.

**42. 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.

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.

**43. 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 Board of Directors has not withdrawn Salary during the financial year 2019-20, Hence the ratio of remuneration is Nil for each director.

**44. 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**

	Sd/-	Sd/-
<b>Place: Secunderabad</b>	<b>Bala Gopal Addepalli</b>	<b>Padma Ghanakota</b>
<b>Date: 19.08.2020</b>	<b>Chairman &amp; Managing Director</b>	<b>Director</b>
	<b>(DIN: 01712903)</b>	<b>(DIN:07078176)</b>

## **CORPORATE GOVERNANCE REPORT**

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. 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 and code of conduct for the prevention of insider trading, is available on our website [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in).

#### 4. COMPOSITION OF THE BOARD:

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on date of this report, the Board comprised of four Directors, two promoter Directors including one woman Director. In addition, there are two independent Directors on the Board. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge.

#### 5. 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, 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 another Director	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM	No. of Outside Directorship of Public Companies	No. of Committee Memberships	No. of Committee Chairmanships
A. BalaGopal	Spouse of G. Padma	P & ED	12	12	Yes	--	--	--
L.S. Patil*	None	NID & NED	12	11	No	--	--	--
Padma Ghanakota	Spouse of A. Bala Gopal	NID & NED	12	12	Yes	--	--	--
Khushwant Singh**	None	ID & NED	12	12	Yes	--	--	--
Rajesh Kakkera	None	ID & NED	12	12	Yes	--	--	--
RamuChaganti**	None	ID & NED	12	12	Yes	--	--	--
M. Madhavara o	None	ID & NED	12	12	Yes	--	--	--
D.V.S Krishna Teja***	None	ED	12	6	Yes	--	--	--
SureshAdoni****	None	ID & NED	12	6	Yes	--	--	--

The name of other listed entities where directors of the company are directors and the category of directorship are shown in **Table 2**.

<b>Name of Director</b>	<b>Name of listed entities in which the concerned Director is a Director</b>	<b>Category of Directorship</b>
A. BalaGopal	--	--
L.S. Patil*	--	--
Padma Ghanakota	--	--
Khushwant Singh**	--	--
Rajesh Kakkera	--	
RamuChaganti**	--	
M. Madhavarao	--	
D.V.S Krishna Teja***	--	
SureshAdoni****	--	
A. BalaGopal	--	

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

\*\*Resignation of Mr. Khushwant Singh and Mr. RamuChagantiw.e.f 26.06.2020.

\*Resignation of Mr. L.S Patil w.e.f 24.02.2020.

\*\*\*\*Vacation of Mr. Suresh Adoniw.e.f 30.09.2019.

\*\*\*Resignation of Mr.D.V.S Krishna Teja w.e.f 03.09.2019.

#### **Details of Skills/Expertise/Competence matrix of the Board of Directors:**

<b>Skills Description</b>	<b>A. Bala Gopal</b>	<b>Padma Ghanakota</b>	<b>Rajesh Kakkera</b>	<b>M. Madhavarao</b>
<b>Leadership</b> Innate leadership skills including the ability to represent the organization and set appropriate Board and organization culture. Demonstrated strengths in talent development, succession planning and bringing change and long term future growth.	Yes	Yes	Yes	Yes
<b>Strategic Planning and Analysis</b> Ability to critically identify and assess strategic opportunities and threats and develop effective strategies in the context of long-term objectives and the organizations' relevant policies and priorities.	Yes	Yes	Yes	Yes
<b>Technology</b> Reasonable knowledge and experience in technology with an ability to foresee technological trends and changes, apply new technology and bring about innovations in business strategies.	Yes	Yes	Yes	Yes
<b>Governance</b> Understanding of the various governance and compliance requirements under various applicable laws, supporting a strong Board base and management accountability, transparency, and protection of shareholder interests.	Yes	Yes	Yes	Yes
<b>Financial</b> Wide ranging knowledge and financial skills, oversight for risk management and internal controls and proficiency in financial management and financial reporting processes.	Yes	Yes	Yes	Yes

<b>Diversity</b> An appropriate mix of varied cultures, ethnicity, geography, gender, age, philosophies, life experiences and other diversity perspectives that expand the Board's understanding of the needs of diverse stakeholders and a better ability to respond to changes.	Yes	Yes	Yes	Yes
<b>Marketing and Communications</b> Ability to analyze the market and technological impacts, developing strategies for brand awareness and brand building and enhancing market share.	Yes	Yes	Yes	Yes

## 6. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved.

Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. Details of the same are available on [www.sangamhealthcare.co.in](http://www.sangamhealthcare.co.in).

## 7. 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 provided in this report.

## 8. AUDIT COMMITTEE:

**A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:** - A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. The role of the Audit Committee is as under:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;

**iii.** Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

**iv.** Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:

**(a)** Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;

**(b)** Changes, if any, in accounting policies and practices and reasons for the same;

**(c)** Major accounting entries involving estimates based on the exercise of judgment by management;

**(d)** Significant adjustments made in the financial statements arising out of audit findings;

**(e)** Compliance with listing and other legal requirements relating to financial statements;

**(f)** Disclosure of any related party transactions;

**(g)** Modified opinion(s) in the draft audit report;

**v.** Review of the quarterly and half yearly financial results with the management before submission to the board for approval;

**vi.** Review and monitor statutory auditor's independence and performance and effectiveness of audit process;

**vii.** Approval or any subsequent modification of transactions with related parties;

**viii.** Scrutiny of inter-corporate loans and investments;

**ix.** Review of valuation of undertakings or assets of the company wherever it is necessary;

**x.** Evaluation of internal financial controls and risk management systems;

**xi.** Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;

**xii.** Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

**xiii.** Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

**xiv.** Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;

xv. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;

xvi. Review the functioning of the whistle blower mechanism;

xvii. Review and monitor the end use of funds raised through public offers and related matters;

xviii. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate

xix. 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 management;
- (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (d) Internal audit reports relating to internal control weaknesses;
- (e) The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- (f) Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7) of the Listing Regulations, if applicable.

xx. Carrying out any other function as may be referred to the Committee by the Board.

xxi. 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 Listing Regulations.

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

There were four (4) Audit Committee Meetings held during the year on, 30.05.2019, 14.08.2019, 14.11.2019, 14.02.2020.

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No of Meetings held</b>	<b>No of Meetings attended</b>
Mr. Khushwant Singh	Chairman	NED(I)	4	4
Mr. Rajesh Kakkera	Member	NED(I)	4	4
Mr. A. BalaGopal	Member	ED	4	4



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

**ED** : Executive Director

The Board has reconstituted its Audit Committee in a meeting held on 26.06.2020 due to resignation of Mr. Khushwant Singh as an Independent Director of the company. The Composition of Audit committee is as follows:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. M. Madhavarao	Chairman	NED(I)
Mr. Rajesh kakkera	Member	NED(I)
Mrs. Padma Ghanakota	Member	NED (NI)

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

**NED (NI)** : Non Executive Non- Independent Director

## **9. NOMINATION AND REMUNERATION COMMITTEE:**

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

The Nomination and Remuneration Committee set up by the Board is responsible for:

**i.** formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

**ii.** formulation of the criteria for evaluation of performance of independent directors and the board of directors.

**iii.** devising a policy on diversity of board of directors.

**iv.** identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

**v.** whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.

**vi.** recommending to the Board, remuneration, payable to senior management.

**vii.** such other matters as may be specified by the Board from time to time.

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

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

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No of Meetings held</b>	<b>No of Meetings attended</b>
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

The Board has reconstituted its Nomination and Remuneration Committee in a meeting held on 26.06.2020 due to resignation of Mr. Khushwant Singh as an Independent Director of the company. The Composition of Nomination and Remuneration committee is as follows:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. M. Madhavarao	Chairman	NED(I)
Mr. Rajesh kakkera	Member	NED(I)
Mrs. Padma Ghanakota	Member	NED (NI)

**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 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 director’s 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

## 10. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

The Committee's role includes:

- (i) 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;
- (ii) Review of measures taken for effective exercise of voting rights by shareholders;
- (iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (iv) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- (v) Such other matter as may be specified by the Board from time to time.

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

There were three (4) Stakeholders' relationship Committee Meetings held during the year on 30.05.2019,14.08.2019,14.11.2019, 14.02.2020.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Khushwant Singh	Chairperson	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

The Board has reconstituted its Stakeholders and Relationship Committee in a meeting held on 26.06.2020 due to resignation of Mr. Khushwant Singh and Ramu Chaganti as an Independent Directors of the company. The Composition of Stakeholders and Relationship committee is as follows:

<b>Name</b>	<b>Designation</b>	<b>Category</b>
Mr. M. Madhavarao	Chairman	NED(I)
Mr. Rajesh kakkera	Member	NED(I)
Mrs. Padma Ghanakota	Member	NED (NI)

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

**NED (NI)** : Non Executive Non- Independent Director

**C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2019-20:**

<b>Opening balance</b>	<b>Received during the year</b>	<b>Resolved during the year</b>	<b>Closing balance</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**D. NAME AND DESIGNATION OF COMPLIANCE OFFICER:**

Mrs. Sharvari Swapnil Shinde\*, Company Secretary of the company, was the compliance officer of the Company for the Financial Year 2019-20.

\*Appointed w.e.f 26.11.2019

- 11. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY:** None of the Non-Executive Directors except Mrs. Padma Ghanakota had any pecuniary relationship or transaction with the company as she is a non-executive director and promoter of 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 2019-20 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
A. Bala Gopal	--	--	3,001,000	--	--	--	--
L.S. Patil*	--	--	--	--	--	--	--
Padma Ghanakota	--	--	20,00,000	--	--	--	--
Khushwant Singh**	--	--	--	--	--	--	--
Rajesh Kakkera	--	--	--	--	--	--	--
RamuChaganti**	--	--	--	--	--	--	--
M. Madhavarao	--	--	--	--	--	--	--
D.V.S Krishna Teja***	--	--	--	--	--	--	--
SureshAdoni****	--	--	--	--	--	--	--

\*\*Resignation of Mr. Khushwant Singh and Mr. Ramu Chaganti w.e.f 26.06.2020.

\*Resignation of Mr. L.S Patil w.e.f 24.02.2020.

\*\*\*\*Vacation of Mr. Suresh Adoni w.e.f 30.09.2019.

\*\*\*Resignation of Mr. D.V.S Krishna Teja w.e.f 03.09.2019.

## 12. 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 14.02.2020, 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.

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)).

## 13. DETAILS ON GENERAL BODY MEETINGS:

### A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL/ORDINARY RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Location	Special Resolution
2018-2019	30.09.2019	2.00 PM	205,206, Amarchand Sharma Complex, S.P. Road, Secunderabad – 500002, Telangana	Yes
2017-2018	29.09.2018	2.00 PM	205,206, Amarchand Sharma Complex, S.P. Road, Secunderabad – 500002, Telangana	Yes
2016-17	29.09.2017	3.00 PM	205,206, Amarchand Sharma Complex, S.P.Road,Secunderabad- 500002 Telangana.	Yes

### B. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the financial year 2019-20.



## 14. 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).

## 15. GENERAL SHAREHOLDER INFORMATION:

### A. ANNUAL GENERAL MEETING:

The 26<sup>th</sup> Annual General Meeting of the Company will be held as per the following schedule:

<b>Day</b>	<b>Monday</b>
Date	15.09.2020
Time	02.00 P.M.
Venue	Through Video Conferencing/other Audio Visual Means

### B. VENUE: FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2020-21 (TENTATIVE SCHEDULE)

The financial calendar (tentative) shall be as under:

<b>Financial Year</b>	<b>2020-21</b>
First Quarterly Results	14.08.2020
Second Quarterly Results	14.11.2020
Third Quarterly Results	14.02.2020
Fourth Quarterly Results	30.05.2021
Annual General Meeting for year ending 31 <sup>st</sup> March,2021	30.09.2021

**C. DIVIDEND PAYMENT DATE:** No Dividend is declared during the Financial Year 2019-20.

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

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

**E. LISTING ON STOCK EXCHANGES:** The equity shares of the Company are listed on BSE Ltd. The Company has paid the listing fees for the year 2019-20 to BSE Limited.

**F. STOCK CODE: SANHP**

**G. 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](mailto:xlfield@rediffmail.com)

[xlfield@gmail.com](mailto:xlfield@gmail.com)

**H. MARKET PRICE DATA**

**The monthly high / low prices of shares of the Company from April, 2019 to March, 2020 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.

**I. 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.

## J. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup>MARCH , 2020:

Category	Number of shareholders	%	Number of shares	Amount	%
1 - 5000	343	53.85	152310	1523100	1.02
5001 - 10000	140	21.98	130100	1301000	0.88
10001 - 20000	29	4.55	47600	476000	0.32
20001 - 30000	52	8.16	128400	1284000	0.86
30001 - 40000	2	0.31	7600	76000	0.05
40001 - 50000	19	2.98	89300	893000	0.60
50001 - 100000	17	2.67	1527200	15272000	1.03
100001 & Above	35	5.49	14152690	141526900	95.24
<b>Total:</b>	<b>637</b>	<b>100.00</b>	<b>14860700</b>	<b>148607000</b>	<b>100.00</b>

## K. DEMATERIALISATION & 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, 2020 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.

## L. PLANT LOCATIONS:

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

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

**N. BOOK CLOSURE DATE:** The date of Book Closure for the purpose of Annual General Meeting shall be from 09.09.2020 to 15.09.2020 (both days inclusive)

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

**P. CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED**

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

**Q. SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2020:**

S.No	Category	No. of shares held	% of shareholding
<b>A</b>	<b>Shareholding of Promoter and Promoter group</b>		
1.	Indian		
	Individual	10421030	70.12
2.	Foreign		
	Individual		
	<b>Sub-Total A</b>	<b>10421030</b>	<b>70.12</b>
<b>B</b>	<b>Public Shareholding</b>		
1.	Institutions	1253000	8.43
2.	Non Institutions	3186670	21.44
	a. Bodies Corporate	1598160	10.75
	b. Non-Resident Indian (NRI)	1578510	19.06
	c. Others	10000	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>

**16. OTHER DISCLOSURES:**

**A. Compliances:** There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

**B. 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.

#### **C. 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 with in the limits. Transactions with the Related Parties as required under Accounting Standard-18 are disclosed notes to accounts attached to the financial statements forming part of this Annual Report.

#### **D. WHISTLE BLOWER POLICY:**

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.

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

<b>Particulars</b>	<b>Number</b>
No. of Complaints filed during the financial year	Nil
No. of Complaints disposed of during the financial year	Nil
No. of Complaints pending as on end of the financial year	Nil

## **F. DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE:**

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

## **G. 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: Secunderabad**  
**Date: 19.08.2020**

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

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

**Declaration Code of Conduct as required by schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, A. Bala Gopal, Managing Director of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2019-20.

**For Sangam Health Care Products Limited**

**Place: Secunderabad**

**Date: 19.08.2020**

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

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

To the Members of **SANGAM HEALTH CARE PRODUCTS LIMITED**

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that none of the directors on the Board of the Company has 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.

**Place: Hyderabad**

**Date: 19.08.2020**

**Sd/-  
S. Sarveswar Reddy  
ACS No. 12611  
CP No. 7478  
UDIN: A012611B000593950**

## **CEO/CFO Certification in respect of Financial Statements and Cash Flow Statement**

**(Pursuant to regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015  
For the Financial Year ended March 31, 2020**

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31<sup>st</sup>March 2020 and we hereby certify and confirm to the best of our knowledge and belief the following:

- a. The Financial Statements and Cash Flow statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- b. The Financial Statements and the Cash Flow Statement together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations.
- c. There are no transactions entered in to by the Company during the year ended 31st March 2020 which are fraudulent, illegal or violative of Company's Code of Conduct.
- d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
- e. There have been no significant changes in the above mentioned internal controls over financial reporting during the relevant period.
- f. That there have been no significant changes in the accounting policies during the relevant period.
- g. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

**For Sangam Health Care Products Limited**

**Place: Secunderabad  
Date: 19.08.2020**

**Sd/-  
Satish Kumar Varre  
Chief Financial Officer (CFO)**



## 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 31st March, 2020, 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 M.M Reddy & Co.  
Chartered Accountants

Place: Hyderabad  
Date: 19.08.2020

M. Madhusudhan Reddy  
Partner  
M. No. 213077

## **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

### **1. ECONOMY – REVIEW AND OUT LOOK:**

The year gone by was a challenging one for the Indian Pharmaceutical Industry as it faced couple of challenges during the year impacting its growth. National Pharmaceutical Pricing Authority (NPPA) announced reduction in the prices of more drugs in the beginning of the financial year affecting the pricing of such drugs adversely. As a result of this, portfolio of products under the National List of Essential Medicines (NLEM) de-grew in value terms though it registered value growth during the year.

### **2. OPPORTUNITIES & THREATS:**

The pharmaceutical industry is highly competitive and the challenges are from both the Indian manufacturers who have similar production facilities as well as those abroad. Human resources with similar skills, talent and experiences in the industry are mobile between competing companies. Price pressures from foreign players are expected to stay. Going forward, there is a risk of inability to maintain current margins on its products. Price sensitivities get tested in a crowded market where price tends to sag while volume business gets done. Competing pharmaceutical companies have several similar bio-equivalent products in the same market manufactured at facilities that have been approved by the highest regulatory authorities. All of them stay focused in the same markets resulting in price elasticity being tested and margins eroding.

### **3. SEGMENT WISE / PRODUCT WISE PERFORMANCE:**

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

### **4. OUTLOOK:**

Healthcare should be extended to the people at an affordable cost and the industry needs to set its priorities straight by treating healthcare activity as a service activity rather than a business activity.

Our Company has emerged as one of the leaders in the Medical Disposables market and it's continuous efforts for a strong presence in the domestic market. There has been growing awareness among the end users about the threats posed while using Low Quality Infusion sets produced and marketed by the Unorganized Sector. There were conscious efforts from the government which helped the cause more. The share of unorganized

sector is falling drastically and there was a corresponding spurt in the demand for quality products in addition to the normal increase in demand.

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

## **5. RISKS:**

There is no visible silver lining in the job market yet. With government extending price controls over the medical devices and proposing generic prescriptions, healthcare industry foresee millions of employees losing jobs in the next two years.

## **6. INTERNAL CONTROL SYSTEMS:**

The Company has sound and adequate internal control systems commensurate with its size and nature of business. We constantly upgrade our systems for incremental improvements, because we firmly believe that 'change is the only permanent thing'. The Audit Committee of the Board periodically reviews these systems. These systems ensure protection of assets and proper recording of transactions and timely reporting.

## **7. FINANCIAL PERFORMANCE:**

The financial performance of the company has been discussed in detail in Auditors report attached to it.

## **8. HUMAN RESOURCES:**

Sangam is a professionally managed company with high competent and committed industry professionals forming a tight-knit team of dedicated colleagues. The corporate promises to focus on performing and delivering on patient safety.

The knowledge, expertise and skills of the team form a strong foundation of the Company's progress, and hence considerable strategic emphasis is laid at people development and leadership. The overall target is to enhance business growth by enabling

engagement and performance. This is achieved by having the right people supported by leadership of able management working together towards organizational goals. Appreciation for the support and co-operation that the company received from the customers, auditors, consultants and all other associated with the company.

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

**9. DETAILS OF ANY CHANGE IN RETURN OR NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR:**

<b>RATIOS</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
<b>KEY PROFITABILITY RATIOS</b>		
OPERATING PROFIT MARGIN	2.29%	-12.37%
NET PROFIT MARGIN	18.57%	-9.62%
PAT / NETWORTH (ROE)	2.73	-1.36
<b>KEY CAPITAL STRUCTURE RATIOS</b>		
NET DEBT / EQUITY	1.94	2.94
CURRENT RATIO	0.236	0.11
DEBT SERVICE COVERAGE RATIO	14.03	-4.63
INTEREST COVERAGE RATIO	2.69	-0.24
DEBTORS TURNOVER RATIO	43.52	60.64
STOCK TURNOVER RATIO	5.87	7.58

**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, 2020**

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sangam Health Care Products Limited (hereinafter called “the Company”). Audit was conducted in a manner that provided us 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, we hereby report that in our opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020, 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.** We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sangam Health Care Products Limited (“The Company”) for the financial year ended on 31<sup>st</sup> March, 2020, 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 2019-20.

- 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**
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable.**
- 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.**
- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- vii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
- viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations;
- ix. The Securities and Exchange Board of India (Depositories and Participants) regulations, 2018;
- x. 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
- xi.** 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 regulations / standards amended from time to time and as applicable to the year under review:

- (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 Twelve (12) 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 One (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 and Company Secretary namely Mrs. Sharvari Swapnil Shinde
- 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 review, 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 2019-20:
  - 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 not appointed between 18.05.2019 and 25.11.2019. Currently Mrs. Sharvari Swapnil Shinde is appointed as Company Secretary w.e.f 26.11.2019.
- ii.** As per Reg. 46(2) of SEBI (LODR) Regulations, 2015, The Company though has the website has not updated the following information on website of the company.

<b>S. No</b>	<b>Particulars</b>
1	Shareholding patterns
2	Vigil Mechanism Policy
3	E-Mail address for grievance redressal and other relevant details
4	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances
5	Notice of Board Meetings
6	Financial results on conclusion of meeting of the Board where financial results were approved

- iii.** The company has not published the notice of the meetings of Board nor financial results for the financial year 2019-20 in the newspaper as applicable u/r 46 of SEBI (LODR) Regulations, 2015.
- iv.** The company has been under suspension from trading on BSE. However, the company has initiated the process of revocation of suspension of trading and as a result BSE vide in-principal approval letter No. LIST/COMP/SK/317/2019-20 dated February 28,2020 advised the company to comply with certain requirements for final revocation of suspension including payment of reinstatement fee.

- v. Regarding **CIR/CFD/CMD1/114/2019** (Resignation of statutory auditors from listed entities and their material subsidiaries) Mr. M. Rama Krishna., Chartered Accountant, appointed on Sept. 30, 2019 has resigned as Statutory Auditor of the Company vide letter dated March 6, 2020 with effect from March 6, 2020. Further during the term of Mr. M Rama Krishna, Chartered Accountant as statutory Auditor of the company, he has certified financials pertaining to period ending 30.09.2019 and 31.12.2019 only. Since, he has resigned on March 06, 2020 i.e., after lapse of more than 45 days from the 3<sup>rd</sup> quarter (ended 31/12/2019), Auditor is supposed / obliged to provide / certify Limited Review Reports for quarters ended 31/12/2019 and 31/03/2020 and audit report for quarter ended 31/03/2020. In the instant case, the auditor signed Limited Review Report for the quarter ended 31/12/2019 only.

**Place: Hyderabad**  
**Date: 19.08.2020**

**For S.S. Reddy & Associates**

**Sd/-**

**S. Sarveswar Reddy**  
**Practicing Company Secretary**  
**C.P. No: 7478**  
**UDIN: A012611B000594016**

## **Annexure A**

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

The secretarial audit report for F.Y 2019-20 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. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We 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, we 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. Our 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: 19.08.2020**

**For S.S. Reddy & Associates**

**Sd/-**  
**S. Sarveswar Reddy**  
**Practicing Company Secretary**  
**C.P. No: 7478**

## MGT 9

### Extract of Annual Return

As on the Financial Year 31.03.2020

[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	13/12/1993
iii	Name of the Company	SANGAM HEALTH CARE PRODUCTS LIMITED
iv	Category / Sub-Category of the Company	Company limited by shares/ Non-Government Company
v	Address of the Registered office and contact details	205, 206, Amarchand Sharma Complex, S.P. Road, Secunderabad - 500002, Telangana Ph No: 040-27719551, 27718252
vi	Whether listed company Yes / No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. XL SOFTECH SYSTEMS LTD., 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad Phone # 040-23545913/14/15

#### 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	86909	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: -

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
Not Applicable					



i) Indian	100500	1497660	1598160	10.75	99500	1497660	1597160	10.75	--
ii) Overseas	--	--	--	--	--	--	--	--	--
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	13200	679410	692610	4.66	16600	677010	693610	4.67	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	188600	697300	885900	5.96	188600	697300	885900	5.96	--
<b>c) Others (specify)</b>									
1. NRI	--	10000	10000	0.07	--	10000	10000	0.07	--
<b>Sub-total B) (2):-</b>	<b>302300</b>	<b>2884370</b>	<b>3186670</b>	<b>21.44</b>	<b>304700</b>	<b>2881970</b>	<b>3186670</b>	<b>21.44</b>	<b>--</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>902300</b>	<b>3537370</b>	<b>4439670</b>	<b>29.88</b>	<b>904700</b>	<b>3534970</b>	<b>4439670</b>	<b>29.88</b>	<b>--</b>
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>11323340</b>	<b>3537370</b>	<b>14860710</b>	<b>100.00</b>	<b>11325740</b>	<b>3534970</b>	<b>14860710</b>	<b>100.00</b>	<b>--</b>

## ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No.of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No.of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	A.Bala Gopal	3001000	20.19	--	3001000	20.19	--	--
2	D.V Subramanya Sharma	2500000	16.82	--	2500000	16.82	--	--
3	Ramana Ghanakota	2255240	15.18	--	2255240	15.18	--	--
4	Padma Ghanakota	2000000	13.46	--	2000000	13.46	--	--
5	D.V.S Krishna Teja	379900	2.56	--	379900	2.56	--	--
6	A.S Balaji Krishna Teja	284900	1.92	--	284900	1.92	--	--

## (iii) Change in Promoters' Shareholding (please specify, if there is no change): NIL

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1					
	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				

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	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	Boin Medica Co Ltd				
	At the beginning of the year	1240260	8.35	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	1240260	8.35	--	--
2	Administrator of Specified Undertaking				
	At the beginning of the year	300000	2.02	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	300000	2.02	--	--
3	Shobha bembolgi				
	At the beginning of the year	260000	1.75	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	260000	1.75	--	--
4	Principal Multi Cap Growth Fund				
	At the beginning of the year	200000	1.35	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	200000	1.35	--	--
5	Dundumulla Bhagat Reddy				
	At the beginning of the year	200000	1.35	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	200000	1.35	--	--
6	Bank of India A/C BOI Mutual Fund				
	At the beginning of the year	199700	1.34	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	199700	1.34	--	--
7	GIC Asset Management Company Limited				
	At the beginning of the year	199400	1.34	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	199400	1.34	--	--
8	Indian Bank				
	At the beginning of the year	150000	1.01	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				

	At the End of the year	150000	1.01	--	--
<b>9</b>	Ajay Kumar Kayan	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	142500	0.96	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	142500	0.96	--	--
<b>10</b>	SMIFS Capital Markets Limited	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	142400	0.96	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	142400	0.96	--	--

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors 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
<b>1</b>	A. Bala Gopal	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3001000	20.19	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	3001000	20.19	--	--
<b>2</b>	Padma Ghanakota	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2000000	13.46	--	--
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/sweat equity etc.)				
	At the End of the year	200000	13.46	--	--

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	49705671	161701795		211407466
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>49705671</b>	<b>161701795</b>		<b>211407466</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition		4370096		4370096
· Reduction	(31147371)			(31147371)
<b>Net Change</b>	<b>(31147371)</b>	<b>4370096</b>		<b>(26777275)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	18558300	166071891		184630191
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>18558300</b>	<b>166071891</b>		<b>184630191</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
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		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - Others, specify...		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

### B. Remuneration to other directors: NIL

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify			
	Total (1)			
2.	Other Non-Executive Directors · Fee for attending board / committee meetings · Commission · Others, please specify			
	Total (2)			
3.	Total (B)= (1+2)			
4.	Total Managerial Remuneration			
5.	Overall Ceiling as per the Act			

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER / WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Sharvari Swapnil Shinde)	CFO	Total
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		22,000*2 = 44,000		Rs. 44,000/-

2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please Specify				
	<b>Total</b>				

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made,if any(give Details)
<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 Healthcare Products Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Sangam Healthcare Products Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

#### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, and its profit/loss and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except the sales made through trading activities.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) The going concern matter described in sub-paragraph (i) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements to the financial statements;
  - ii. The Company did not have any derivative contracts and the Company has not made hedging on foreign currency exposure, for material foreseeable losses, if any, on long-term contracts to the financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M M REDDY & CO.,  
Chartered Accountants  
Firm Registration No.010371S**

**Date: 26-06-2020  
Place: Hyderabad**

**Sd/-  
(M. Madhusudhana Reddy)  
Partner  
Membership No.213077**

### **Annexure – A to the Independent Auditors' Report:**

The Annexure referred to the Independent auditors' report to the members of the company on the IndAS financial statements for the year ended 31 March 2020, we report that

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all major fixed assets.
- (b) A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. The inventory has been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification and have been properly dealt with in the books of account.
- 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. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal.
- vi. In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Goods and service Tax, cess and any other statutory dues to the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax or Sales Tax or Service Tax or duty of customs or duty of excise or value added tax or Goods and service Tax or cess as at 31st March, 2020 which have not been deposited on account of a dispute.
- viii. According to the information and explanations given to us and on the basis of examination of the records, the Company has not defaulted in the repayment of loans along with interest to any financial institutions, banks or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of equity share converted in to equal number equity shares of the company. The requirement of Section 42 and all the other applicable provisions of the Companies Act, 2013 and SEBI Regulations were complied with.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For M M REDDY & CO.,  
Chartered Accountants  
Firm Registration No.010371S**

**Date: 26-06-2020  
Place: Hyderabad**

**Sd/-  
(M. Madhusudhana Reddy)  
Partner  
Membership No.213077**



## **Annexure - B to the Independent 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 M/S **Sangam Healthcare Products Limited** (“the Company”) as of 31st March 2020 in conjunction with our audit of the Ind AS 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.

#### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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, **as mentioned under emphasis of matters in our report**, 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<sup>st</sup> March 2020, 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 M M REDDY & CO.,  
Chartered Accountants  
Firm Registration No.010371S**

**Date: 26-06-2020  
Place: Hyderabad**

**Sd/-  
(M. Madhusudhana Reddy)  
Partner  
Membership No.213077**

**SANGAM HEALTH CARE PRODUCTS LIMITED**  
**CIN NO- L24230TG1993PLC016731**  
**Statement of Financial Position as at Mar 31, 2020**

(Amt. in Rs.)				
	Particulars	Note No.	As at Mar 31, 2020	As at March 31, 2019
I	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, plant and equipment	3.1	6,23,94,269	18,65,25,883
	(b) Right to use assets		-	-
	(c) Capital work in progress		-	-
	(d) Investment properties		-	-
	(e) Good will		-	-
	(f) Other intangible Assets	3.2	-	-
	(g) Intangible Assets under Development		-	-
	(h) Biological Assets other than Bearer Plants		-	-
	(d) Financial assets		-	-
	(i) Investments	4.1	-	-
	(ii) Trade receivables	4.2	-	-
	(iii) Loans	4.4	-	-
	(vi) other Financial assets	4.5	-	-
	(e) Deferred Tax Asset (Net)		-	-
	(f) Other non-current asset	6	33,59,223	33,59,223
	<b>Total non-current assets (A)</b>		<b>6,57,53,492</b>	<b>18,98,85,106</b>
2	<b>Current assets</b>			
	(a) Inventories	7.1	3,71,26,470	2,77,33,098
	(a) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables	7.2	50,10,222	34,69,081
	(iii) Cash and cash equivalents	7.3	75,136	5,12,575
	(iv) Bank Balances other than (iii) above	7.3	-	-
	(iv) other financial assets		-	-
	(b) Current Tax Asset (Net)	5	58,130	40,365
	(c) Other current assets	6	2,16,25,313	1,60,60,639
	<b>Total current assets (B)</b>		<b>6,38,95,271</b>	<b>4,78,15,758</b>
	Non Current Assets Classified as Held for Sale( C)	8	-	-
	<b>Total assets (A+B+C)</b>		<b>12,96,48,763</b>	<b>23,77,00,864</b>
II	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity share capital	9	14,86,07,000	14,86,07,000
	(b) Other equity	10	(30,77,93,103)	(34,83,35,603)
	<b>Total equity (A)</b>		<b>(15,91,86,103)</b>	<b>(19,97,28,603)</b>
2	<b>Liabilities</b>			
(i)	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	11.1	48,15,495	78,15,495
	(ii) Trade Payables	11.1	-	-
	(iii) Other Financial Liabilities		-	-
	(b) Long term provisions	12	67,98,421	69,80,261
	(c) Deferred tax Liabilities(Net)	5	69,16,816	1,33,01,040
	(d) Other non Current Liabilities		-	-
	<b>Total non-current liabilities (B)</b>		<b>1,85,30,732</b>	<b>2,80,96,796</b>
(ii)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	11.1	17,10,74,504	20,35,91,971
	(ii) Trade payables	11.1	5,92,08,424	3,99,90,113
	(iii) Other financial liabilities		-	-
	(b) Short term provisions	12	-	-
	(c) Other current liabilities	13	4,00,21,206	16,57,50,587
	(d) Current Tax Laibilities (net)	5	-	-
	<b>Total current liabilities (C)</b>		<b>27,03,04,134</b>	<b>40,93,32,671</b>
	<b>Total liabilities (D+B+C)</b>		<b>28,88,34,866</b>	<b>43,74,29,467</b>
	<b>Total equity and liabilities (A+D)</b>		<b>12,96,48,763</b>	<b>23,77,00,864</b>

The notes are an integral part of the financial statements

1-2

As per our Report of even date

**For M M REDDY & CO.,**  
Chartered Accountants  
Firm Reg No:010371S

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

**CA. M. Madhusudhana Reddy**  
Partner  
Membership No: 213077

A.BALAGOPAL  
Managing Director  
DIN No.01712903

Place: Hyderabad  
Date : 26-06-2020

Padma Ghanakota  
Director  
DIN No.07078176

V.Satish Kumar  
C.F.O  
PAN: ACLPV7670I

**SANGAM HEALTH CARE PRODUCTS LIMITED**

**CIN NO- L24230TG1993PLC016731**

**Statement of Profit and Loss and Other Comprehensive Income for the Period ended Mar 31, 2020**

(Amt. in Rs.)

	<b>Note No.</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>Continuing Operations</b>			
I Revenue from operations	14	21,80,55,047	21,03,92,037
II Other income	15	1,77,618	4,03,647
III Net gain on de-recognition of financial assets at amortised cost	16	2,91,54,304	42,76,702
IV Net gain on reclassification of financial assets	17	-	-
V <b>Total income</b>		<b>24,73,86,970</b>	<b>21,50,72,386</b>
<b>Expenses</b>			
VI (a) Cost of material Consumed	18.1	10,24,09,233	10,41,49,374
(b) Purchase of Stock in Trade			
(c) Changes in stock of finished goods, work-in progress and stock-in-trade	18.2	(39,29,393)	(1,25,85,109)
(d) Employee benefits	18.3	5,52,44,074	5,39,76,444
(e) Finance cost	18.4	29,45,392	2,09,96,439
(f) Depreciation expense	18.5	1,25,54,622	1,50,26,427
(g) Impairment expenses/losses		-	-
(h) Net loss on de-recognition of financial assets at amortized cost		-	-
(i) Net loss on reclassification of financial assets		-	-
(c) Other expenses	18.6	4,40,04,766	5,53,16,222
<b>Total expenses (VI)</b>		<b>21,32,28,694</b>	<b>23,68,79,797</b>
<b>Profit/(loss) before Share of profit/(loss) of associates / joint ventures, exceptional items and tax (V - VI)</b>		<b>3,41,58,276</b>	<b>-2,18,07,411</b>
VII Share of profit/(loss) of associates			
Share of profit/(loss) of joint ventures			
<b>IX Profit/(Loss) before exceptional items and tax</b>		<b>3,41,58,276</b>	<b>(2,18,07,411)</b>
X <b>Exceptional itmes</b>			
XI <b>Profit before Tax</b>		<b>3,41,58,276</b>	<b>(2,18,07,411)</b>
XII <b>Tax expense :</b>			
a. Current tax		-	-
b. Deferred tax		(63,84,224)	15,26,588
XIII <b>Profit/(loss) for the year from continuing operations (XI-XII)</b>		<b>4,05,42,500</b>	<b>(2,02,80,823)</b>
<b>Discontinued Operations</b>			
XIV Profit/(loss) from discontinued operations		-	-
XV Tax Expense of discontinued operations		-	-
XVI <b>Profit/(loss) from discontinued operations (XIV +XV)</b>		-	-
<b>XVII Profit/(loss) for the year (XIII+XVI)</b>		<b>4,05,42,500</b>	<b>-2,02,80,823</b>

**SANGAM HEALTH CARE PRODUCTS LIMITED**

**CIN NO- L24230TG1993PLC016731**

<b>XIX Other comprehensive income</b>			
<b>A (i) Items that will not be recycled to profit or loss</b>			
(a) Changes in revaluation surplus		-	-
(b) Remeasurements of the defined benefit liabilities / (asset)		-	-
(c) Equity instruments through other comprehensive income		-	-
(d) Fair value changes relating to own credit risk		-	-
(e) Others (specify nature)		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>B (i) Items that may be reclassified to profit or loss</b>			
(a) Exchange differences in translating the financial statements of foreign operations		-	-
(b) Debt instruments through other comprehensive income		-	-
(c) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-	-
(d) Share of other comprehensive income of equity accounted investees		-	-
(e) Others (specify nature)		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		-	-
<b>IX. Total comprehensive income for the year (V+ VI)</b>		<b>4,05,42,500</b>	<b>(2,02,80,823)</b>
<b>X. Earning per equity share (for Continuing Opertations)</b>			
(i) Basic	20.1	2.73	(1.36)
(ii) Diluted.	20.2	2.73	(1.36)
<b>XI. Earnings per equity share (for discontinued operation):</b>			
(i) Basic		0.00	(0.00)
(ii) Diluted.		0.00	(0.00)
<b>XII. Earnings per equity share (for Continued and discontinued operation):</b>			
(i) Basic	20.1	2.73	(1.36)
(ii) Diluted.	20.1	2.73	(1.36)

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

As per our Report of even date  
For M M REDDY & CO.,  
Chartered Accountants  
Firm Reg No:010371S

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

CA. M. Madhusudhana Reddy  
Partner  
Membership No: 213077

A.BALAGOPAL  
Managing Director  
DIN No.01712903

Place: Hyderabad  
Date : 26-06-2020

Padma Ghanakota  
Director  
DIN No.07078176

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

**SANGAM HEALTH CARE PRODUCTS LIMITED**  
**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31st March, 2020**

Particulars	31-03-2020	31.03.2019
	(₹)	(₹)
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax and extraordinary items	3,41,58,276	(2,18,07,411)
<b>Adjustment for:</b>		
Income tax expense recognised in profit or loss		
Finance costs recognised in profit or loss	29,45,392	2,09,96,439
Investment income recognised in profit or loss	(1,77,618)	(4,03,647)
Gain on disposal of property, plant and equipment	(2,91,54,304)	42,76,702
Gain on disposal of a subsidiary	-	-
Gain on disposal of interest in former associate	-	-
Net (gain)/loss recorded in profit or loss on financial liabilities designated as at fair value through profit or loss	-	-
Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss	-	-
Net loss/(gain) arising held for trading financial liabilities	-	-
Hedge ineffectiveness on cash flow hedges	-	-
Net (gain)/loss on disposal of available-for-sale financial assets	-	-
Impairment loss recognised on trade receivables	-	-
Reversal of impairment loss on trade receivables	-	-
Depreciation and amortisation of non-current assets	1,25,54,622	1,50,26,427
Impairment of non-current assets	-	-
Net foreign exchange (gain)/loss	-	-
Expense recognised in respect of equity-settled share-based payments	-	-
Expense recognised in respect of shares issued in exchange for goods/services	-	-
Amortisation of financial guarantee contracts	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>2,03,26,368</b>	<b>1,80,88,510</b>
<b>Movement for Working Capital:</b>		
Increase in trade and other receivables	(15,41,141)	(33,85,933)
(Increase)/decrease in amounts due from customers under construction contracts	-	-
(Increase)/decrease in inventories	93,93,372	(1,87,29,929)
(Increase)/decrease in other assets	-	2,56,054
Decrease in trade and other payables	1,92,18,311	(6,85,04,672)
Increase/(decrease) in amounts due to customers under construction contracts	-	-
Increase/(decrease) in provisions	-	-
(Decrease)/increase in deferred revenue	-	-
(Decrease)/increase in other liabilities	(15,82,46,848)	18,78,35,773
<b>Cash generated from operations</b>	<b>(11,08,49,938)</b>	<b>11,55,59,803</b>
- Income taxes paid	-	(7,36,342)
<b>Net Cash flow before extraordinary items</b>	<b>(11,08,49,938)</b>	<b>11,48,23,461</b>
-Extraordinary & Prior period items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(11,08,49,938)</b>	<b>11,48,23,461</b>

**B. CASH FLOW FROM INVESTING ACTIVITIES:**

Particulars	31-03-2020	31.03.2019
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Payments to acquire financial assets	-	(83,75,898)
Proceeds on sale of financial assets	-	-
Interest received	1,77,618	4,03,647
Royalties and other investment income received	-	-
Dividends received from associates	-	-
Other dividends received	-	-
Amounts advanced to related parties	-	-
Repayments by related parties	-	-
Payments for property, plant and equipment	-	(22,67,007.57)
Proceeds from disposal of property, plant and equipment	11,15,76,992	-
Payments for investment property	-	-
Proceeds from disposal of investment property	-	-
Payments for intangible assets	-	-
Net cash outflow on acquisition of subsidiaries	-	-
Net cash inflow on disposal of subsidiary	-	-
Net cash inflow on disposal of associate	-	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>11,17,54,610</b>	<b>(1,02,39,259)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Particulars</b>	<b>31-03-2020</b>	<b>31.03.2019</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity instruments of the Company	-	-
Proceeds from issue of convertible notes	-	-
Payment for share issue costs	-	-
Payment for buy-back of shares	-	-
Payment for share buy-back costs	-	-
Proceeds from issue of redeemable preference shares	-	-
Proceeds from issue of perpetual notes	-	-
Payment for debt issue costs	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	(30,00,000)	(8,00,00,000)
Proceeds from government loans	-	-
Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control	-	-
Dividends paid on redeemable cumulative preference shares	-	-
Dividends paid to owners of the Company	-	-
Interest paid	29,45,392	(2,09,96,439)
Long Term Provisions	(1,81,840)	(4,98,674)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(2,36,449)</b>	<b>(10,14,95,113)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>6,68,223</b>	<b>(11,87,613)</b>
<b>Cash and cash equivalents at the beginning of the year 1.04.2019</b>	<b>5,12,575</b>	<b>17,00,188</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-
<b>Cash and cash equivalents at the end of the year as on 31.03.2020</b>	<b>11,80,798</b>	<b>5,12,575</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow Statement</b>		
Cash and cash equivalents (Note __)	75,136	5,12,575
Bank overdraft (Note _ )	-	-
<b>Balance as per statement of cash flows</b>	<b>75,136</b>	<b>5,12,575</b>

As per our Report of even date

**For M M REDDY & CO.,**

Chartered Accountants

Firm Reg No:010371S

**CA. M. Madhusudhana Reddy**

Partner

Membership No: 213077

Place: Hyderabad

Date : 26-06-2020

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

A.BALAGOPAL

Managing Director

DIN No.01712903

Padma Ghanakota

Director

DIN No.07078176

V.Satish Kumar

C.F.O

PAN: ACLPV7670E



**Note : 3.1: Property, Plant Equipment**

Particular	Land	Buildings	Plant & Machinery	Electrical Installations	Lab Equipments	Computers	Office Equipment	Furniture & Fixtures	Vehicles	Total
<b>Cost/Deemed Cost:</b>										
at 1st April 2018	7,90,50,000	6,51,30,130	26,84,95,574	1,94,25,551	80,86,382	18,95,096	14,41,408	25,86,171	34,47,411	44,95,57,723
Additions			22,67,000							22,67,000
Deletions	-	-		-						-
<b>As at March 2019</b>	<b>7,90,50,000</b>	<b>6,51,30,130</b>	<b>27,07,62,574</b>	<b>1,94,25,551</b>	<b>80,86,382</b>	<b>18,95,096</b>	<b>14,41,408</b>	<b>25,86,171</b>	<b>34,47,411</b>	<b>45,18,24,723</b>
Additions	30,00,000		16,00,000						52,92,006	98,92,006
Deletions	8,20,50,000	6,51,30,130		1,94,25,551						16,66,05,681
<b>As at March 2020</b>	<b>-</b>	<b>-</b>	<b>27,23,62,574</b>	<b>-</b>	<b>80,86,382</b>	<b>18,95,096</b>	<b>14,41,408</b>	<b>25,86,171</b>	<b>87,39,417</b>	<b>29,51,11,048</b>
<b>Depreciation/Impairment at 1st April 2018</b>	-	2,45,72,011	19,14,09,854	1,80,18,962	70,45,557	18,50,943	14,34,492	25,54,809	33,85,792	25,02,72,420
Depreciation for the year	-	17,78,065	1,18,11,600	7,67,652	6,41,905	14,271	-	12,934	-	1,50,26,427
Disposals										-
<b>As at March 2019</b>	<b>-</b>	<b>2,63,50,076</b>	<b>20,32,21,454</b>	<b>1,87,86,614</b>	<b>76,87,462</b>	<b>18,65,214</b>	<b>14,34,492</b>	<b>25,67,743</b>	<b>33,85,792</b>	<b>26,52,98,847</b>
Depreciation for the year	-	-	1,23,07,818	-	35,857	3,840	-	-	2,07,107	1,25,54,622
Disposals		2,63,50,076		1,87,86,614						4,51,36,690
<b>As at March 2020</b>	<b>-</b>	<b>-</b>	<b>21,55,29,272</b>	<b>-</b>	<b>77,23,319</b>	<b>18,69,054</b>	<b>14,34,492</b>	<b>25,67,743</b>	<b>35,92,899</b>	<b>23,27,16,779</b>
<b>Net Book Value</b>										
As at March 2020	-	-	5,68,33,302	-	3,63,063	26,042	6,916	18,428	51,46,518	6,23,94,269
As at March 2019	7,90,50,000	3,87,80,054	6,75,41,120	6,38,937	3,98,920	29,882	6,916	18,428	61,619	18,65,25,876

**Note : 3.2 Other Intangible Assets**

Particular	computer Software	Patentents	Trade marks	Total
<b>Cost/Deemed Cost:</b>				
at 1st April 2018	-	-	-	-
Additions				-
Deletions	-	-		-
<b>As at March 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additions	-			-
Deletions	-	-		-
<b>As at March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation/Impairment at 1st April 2018</b>	-	-	-	-
Depreciation for the year	-	-	-	-
Disposals				-
<b>As at March 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation for the year	-	-	-	-
Disposals				-
<b>As at March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>				
As at March 2020	-	-	-	-
As at March 2019	-	-	-	-

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

**Note 4 Financial Assets**

(Amt. in Rs.)

4.1 Non - Current Investments in	As at March 31, 2020	As at March 31, 2019
Investments in quoted shares	-	-
investment in unquoted shares of subsidiaries	-	-
investment in Joint Ventures	-	-
investment in Preference Shares	-	-
Investment in partnerships	-	-
<b>Total Non Current Investments</b>	-	-

**4.2 Current Investments**

(Amt. in Rs.)

	As at March 31, 2020	As at March 31, 2019
Investments in Mutual Funds Quoted	-	-
Quoted:	-	-
Agreegate book value	-	-
Agreegate Market value	-	-
Un Quoted:	-	-
Agreegate book value	-	-
<b>Total</b>	-	-

**4.3 Trade Receivables**

(Amt. in Rs.)

	As at March 31, 2020	As at March 31, 2019
<b>Secured and considered good:</b>		
-From Related party	-	-
-From Others	-	-
<b>Unsecured and considered good:</b>		
-From Related party	-	-
-From Others	-	-
<b>Doubtful:</b>		
-From Related party	-	-
-From Others	-	-
Less: allowance for doubtfull debts	-	-
<b>Total Trade Receivables</b>	-	-

**Note 4.4 Loans**

(Amt. in Rs.)

	As at March 31, 2020	As at March 31, 2019
<b>Loans :</b>		
To related parties	-	-
to other boady corporate	-	-
to employees	-	-
<b>Securirty Deposits:</b>		
Less: allowances for Doubfull loans	-	-
<b>Total Loans</b>	-	-
<b>Notes:</b>		
Considered fgood	-	-
Considered Doubt full, Provided:		
To related parties	-	-
to other boady corporate	-	-
to employees	-	-
<b>Total Loans</b>	-	-

**Note 4.5 Other Financial Assets**

(Amt. in Rs.)

	As at March 31, 2020	As at March 31, 2019
Export benefits and entitlements	-	-
Insurance claim receivable	-	-
Advance towards equity/preference capital	-	-
<b>Derivative instruments:</b>		
Derivative instruments atfair value through OCI	-	-
Cash flow hedges	-	-
Foreign exchange forward contracts	-	-
<b>Total derivative instruments at fair value through OCI</b>	-	-
<b>Derivative instruments at fair value through profit or loss through OCI</b>	-	-
Derivatives not designated as hedges	-	-
Foreign exchange forward contracts	-	-
Embedded derivatives	-	-
Total derivative instruments at fair value through profit or loss	-	-
<b>Total Other Financial Assets</b>	-	-

**SANGAM HEALTH CARE PRODUCTS LIMITED**

**Note 5 Income Taxes** (Amt. in Rs.)

	As at March 31, 2020	As at March 31, 2019
<b>a). Current Tax liability</b>		
<b>Opening Balance</b>		
Add: Current tax payable for the year	-	-
Less: Taxes Paid	-	-
<b>Closing balances</b>	-	-
<b>b). Current Tax Asset</b>		
<b>Opening Balance</b>	-	-
Add: Taxes paid/TDS Receivable	58,130	40,365
Less: Current tax payable for the year	-	-
<b>Closing Balance</b>	58,130	40,365
<b>c). Differed Tax Asset</b>		
Differed tax Asset - (A)	-	-
Provision for Emplpyoecs	-	-
Waranty Provisions	-	-
Loss allowance on financial and Contract Assets	-	-
Others	-	-
<b>Sub Total (A)</b>	-	-
<b>Differred tax Liability- (B)</b>		
on Written down value of fixed assets	69,16,816	1,33,01,040
Others	-	-
<b>Sub Total (B)</b>	69,16,816	1,33,01,040
<b>Total (A-B)</b>	<b>(69,16,816)</b>	<b>(1,33,01,040)</b>

**Note Other Assets Non Current Assets**

(Amt. in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(A) Other Non-Current Assets</b>		
Capital Advances	-	-
Advances other than capital advances	-	-
<b>Security Deposits:</b>		
Government Authorities - Electricity Dept	33,59,223	33,59,223
— Advances to Related Parties	-	-
— Other Advances	-	-
Others (Specify nature)	-	-
<b>Total of Other Non-current Assets</b>	<b>33,59,223</b>	<b>33,59,223</b>
<b>(B) Other Current Assets</b>		
<b>Capital Advances:</b>		
Advances to Plant and Machinery	1,43,49,200	93,49,200
<b>Advances other than capital advances:</b>		
MAT Credit Entitlement	63,39,337	63,39,337
Security Deposits	-	-
Advances to Related Parties	-	-
<b>Other Advances:</b>		
GST Input	5,98,756	8,820
Interest Receivable	3,38,020	3,63,282
<b>Total of Other current Assets</b>	<b>2,16,25,313</b>	<b>1,60,60,639</b>

**SANGAM HEALTH CARE PRODUCTS LIMITED**

**Note 7.1 Inventories** (Amt. in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
Raw Material	64,59,699	51,31,101
Packing Material	75,16,800	34,03,484
Work In Process	92,03,852	65,60,286
Finished Goods	1,36,66,074	1,23,80,247
Consumables & Stores and Spares	2,80,045	2,57,980
Property under Development	-	-
<b>Total Inventories</b>	<b>3,71,26,470</b>	<b>2,77,33,098</b>

**Notes 7.1.1** Details of Inventories pledged as security for liabilities as follows

	Carrying Amount Rs.	Security Pledged Against
<b>As at 31st March 2020</b>		
Raw Material	-	-
Work In Process	-	-
Finished Goods	-	-
<b>As at 31st March 2019</b>		
Raw Material	-	-
Work In Process	-	-
Finished Goods	-	-
<b>Total Inventories</b>	<b>-</b>	<b>-</b>

**Note 7.2 Trade Receivables** (Amt. in Rs.)

	As at 31st March 2020	As at 31st March 2019
<b>Secured considered good</b>		
- From Related Parties		
- From Others		
<b>Unsecured considered good</b>		
- From Related Parties		
- From Others	50,10,222	34,69,081
<b>Doubtfull</b>		
- From Related Parties	-	-
- From Others	-	-
Less: Provison for Doubt full debts	-	-
<b>Total Trade Receivables</b>	<b>50,10,222</b>	<b>34,69,081</b>

**Note 7.3 Cash and Cash Equivalents** (Amt. in Rs.)

	As at 31st March 2020	As at 31st March 2019
Cash and Cash Equivalents	75,136	5,12,575
Bank Balances other than Cash and Cash	-	-
<b>Total Cash and Cash Equivalents</b>	<b>75,136</b>	<b>5,12,575</b>

**Note 7.3.1 Cash and Cash Equivalents** (Amt. in Rs.)

	As at 31st March 2020	As at 31st March 2019
<b>Bank and Cash Balances</b>		
<b>On Current Accounts:</b>		
KOTAK BANK-KNR-6912456133	632	7,550
Karur Vysya Bank Ltd A/C.No.140413500006078	10,454	10,454
Kotak Bank-356	53,924	4,64,611
Kotak Bank-295	(25,544)	-
SBI-CURRENT A/C.62263238738(Commerical Branch)	(78,018)	(78,018)
SBI- IFB	78,511	78,511
Andhra Bank	24,911	24,911
Syndicate Bank	5,500	-
Fixed Deposits with maturity less than 3 months	-	-
Cheques/dafts on hand	-	-
Cash on hand	4,766	4,556
<b>Total Cash and Cash Equivalents</b>	<b>75,136</b>	<b>5,12,575</b>

**Notes:**

1. In the Balance sheet Cash comprises cash and demand deposits.

2.Cash equivalents are held for the purpose of short term cash commitments rather than for investment or other purpose

**Note 8: Non Current Assets Classified as Held for Sale**

	As at 31st March 2020	As at 31st March 2019
<b>Non-Curret Assets</b>		
Plant, Propety and Equipment		
Others		
<b>Total Non Current Assets Clasified as Held for Sale</b>	<b>-</b>	<b>-</b>

**SANGAM HEALTH CARE PRODUCTS LIMITED**

**SANGAM HEALTH CARE PRODUCTS LIMITED**

**Notes annexed to and forming part of the Financial Statements**

**Note 11.1 Borrowings**

	As at 31st March 2020		As at 31st March 2019	
	Non Current	Current	Non Current	Current
Bonds				
Debentures(Secured)				
<b>Term loans:</b>				
Secured				
Unsecured				
From banks	-	46,05,126	-	1,24,44,487
Working Capital	-	-	-	2,03,08,010
Deferred payment liabilities				
Other Loans				
-Finance lease obligations				
- Preference shares				
Interest-free sales Tax deferral loan from state Govt.	48,15,495	91,37,679	78,15,495	91,37,679
<b>Unsecured Loans</b>				
From Individuals other than banks	-	15,73,31,699	-	16,17,01,795
<b>Total Borrowings</b>	<b>48,15,495</b>	<b>17,10,74,504</b>	<b>78,15,495</b>	<b>20,35,91,971</b>

Note 11.1.1

Particulars	As at 31st March 2020	Terms of Repayment	Security
<b>Long Term</b>			
Bonds	-	-	-
Debentures	-	-	-
<b>Rupee term loans from Banks:</b>	46,05,126	-	-
Interest-free sales Tax deferral loan from state Govt.	48,15,495	-	-
<b>Short Term</b>			
Interest-free sales Tax deferral loan from state Govt.	91,37,679	-	-

**Note 11.1.2 Current Borrowings**

	As at 31st March 2020	As at 31st March 2019
Working Capital Borrowings(Secured)	-	2,03,08,010
Rupee Loan	-	-
Foreign Currency loan	-	-
Foreign Currency loan from Bank (Unsecured)	-	-
Rupee Loan Banks (Unsecured loans)	-	-
Commercial Papers (Unsecured)	-	-
<b>Total Non Current Assets Classified as Held for Sale</b>	<b>-</b>	<b>2,03,08,010</b>

1. Working capital Loans of \_\_\_\_\_ bank are paid during the financial year 2019-20,

Notes 11.1 Note Short Term Borrowing	As at 31st March 2020	As at 31st March 2019
<b>Term loans</b>		
From banks	46,05,126	1,24,44,487
Working Capital	-	2,03,08,010
Interest-free sales Tax deferral loan from state government	91,37,679	91,37,679
<b>Unsecured Loans</b>	15,73,31,699	-
From Individuals other than banks		
L.S.Patil	-	-
G.PADMA	-	1,00,000
Dr.Sharma	-	40,00,000
G.RAMANA	-	25,00,000
BHAGAT REDDY	-	52,57,508
DR.D.V.S.SHARMA	-	72,49,941
D.V.S TEJA KRISHNA	-	53,99,812
SASWATA GUPTA	-	7,74,000
A.BALAGOPAL	-	12,39,20,534
D.V.S SHARMA & GHANAKOTA RAMANA	-	1,25,00,000
<b>Total</b>	<b>17,10,74,504</b>	<b>20,35,91,971</b>

Note : Based on the nature of liability the outstanding liabilities are re-classified as current liabilities because they are payable on demand.

**SANGAM HEALTH CARE PRODUCTS LIMITED**

**Note 11.2 Other Financial Liabilities**

	As at 31st March 2020		As at 31st March 2019	
	Non Current	Current	Non Current	Current
Current Maturities of Long Term Borrowings	-	-	-	-
Current Maturities of finance lease obligation	-	-	-	-
Investor enducation protection fund	-	-	-	-
<b>others:</b>				
Retention money for capital projects	-	-	-	-
Payble towards capital expenditure	-	-	-	-
Payble towards Services received	-	-	-	-
Payble towards other expenses	-	-	-	-
Interest accrued but no due on borrowings	-	-	-	-
<b>Total Borrowings</b>	-	-	-	-

**Note 11.2 : Trade payables**

	As at 31st March 2020		As at 31st March 2019	
	Non Current	Current	Non Current	Current
<b>Trade payables</b>				
Dues to Micro, Small and Medium Enterprises	-	-	-	-
Dues to other than Micro, Small and Medium Enterprises	-	-	-	-
<b>Sub Total</b>	-	-	-	-
<b>Non Current Liabilities</b>				
<b>Trade payables</b>				
Dues to Micro, Small and Medium Enterprises	-	-	-	4,68,646
Dues to other than Micro, Small and Medium Enterprises	5,92,08,424	-	-	3,95,21,467
<b>Sub total</b>	<b>5,92,08,424</b>	-		<b>3,99,90,113</b>

Note: Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act) This information has been determined to the extent such parties have been identified on the basis of information available with the Company

**Note 11.2.1**

	As at 31st March 2020	As at 31st March 2019
Principal amount remaining unpaid to any supplier as at the end of the year.	5,92,08,424	3,99,90,113
Amount of interest due remaining unpaid to any supplier as at the end of the year	-	-
Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
Amount of interest due and payable for the period of delay in making payment (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
Amount of interest accrued and remaining unpaid at the end of year.	-	-
Amount of further interest remaining due and payable even in the succeeding year	-	-

**Note 12 Long term provisions**

	As at 31st March 2020		As at 31st March 2019	
	Non Current	Current	Non Current	Current
a). Provision for Employee Bebefits				
For Provident Fund	-	-	-	-
For gratuity	67,98,421	-	69,80,261	-
Provision for compensated absences	-	-	-	-
b). Others				
Service Warranties	-	-	-	-
Statutory Dues	-	-	-	-
Legal Calims	-	-	-	-
<b>Total</b>	<b>67,98,421</b>	-	<b>69,80,261</b>	-

**Note 13 Other Liabilities**

	As at 31st March 2020	As at 31st March 2019
<b>a).Revenue Received in Advance</b>		
Advances From customers	1,62,31,886	61,96,019
<b>b).Other Payables</b>		
<b>Statutory Dues Payable</b>		
Provident fund payable	23,38,556	3,98,768
ESI contribution payable	9,26,263	9,52,732
Interest Payable on statutory dues	42,69,003	42,72,807
TDS payable	11,27,357	1,96,703
Salaries and Wages payable	41,14,093	43,45,104
Marketing Salaries - Field Staff Payable	-	6,00,000
Directors Remuneration Payable	8,40,000	8,40,000
Bonus payable	15,00,000	13,89,021
Electricity Charges Payable	20,46,508	8,67,472
Other Expenses Payable	40,87,948	38,74,443
Deposits	1,30,000	1,30,000
Other Advance payable	22,29,591	12,87,518
Audit fee payable	1,80,000	4,00,000
Advance From Ramraj on sale of land	-	14,00,00,000
<b>Total</b>	<b>4,00,21,206</b>	<b>16,57,50,587</b>

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

**Note 14: Revenue from operations**

(Amt. in Rs.)

Particulars	For the Year ended March 2020	For the year ended March 2019
<b>A.Revenue from contracts with customers disaggregated based on nature of product or services</b>		
<b>Revenue from Sale of Products</b>		
a). Sale of Manufactured Goods	21,80,55,047	21,03,92,037
b).Stock in Trade	-	-
<b>Net Revenue</b>	<b>21,80,55,047</b>	<b>21,03,92,037</b>
<b>Revenue from Sale Service</b>		
a). Software services	-	-
b). Other Services	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Other Operating Revenues</b>		
a). Export Incentives	-	-
b).Royalty Received		
From subsidiaries and associates	-	-
From others	-	-
c). Scrap Sale	-	-
d). Others	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>
<b>Total Revenue from Operations</b>	<b>21,80,55,047</b>	<b>21,03,92,037</b>

Particulars	For the Year ended March 2020	For the year ended March 2019
<b>B Disaggregated revenue information</b>		
<b>Revenue from contracts with customers disaggregated based on geography</b>		
a). Domestic	24,35,12,713	23,47,96,162
b).Export	-	-
	<b>24,35,12,713</b>	<b>23,47,96,162</b>
C)Reconciliation of Gross Revenue from Contracts With Customers		
Gross Revenue	<b>24,35,12,713</b>	<b>23,47,96,162</b>
Less: Discount	-	-
Less: Returns	-	-
Less: Price Concession	-	-
Less: Incentives and performance bonus	-	-
Less: Goods and Service Tax	2,54,57,666	2,44,04,125
Net Revenue recognised from Contracts with Customers	<b>21,80,55,047</b>	<b>21,03,92,037</b>

**Note 15: Other Income**

Particulars	For the Year ended March 2020	For the year ended March 2019
<b>Interest income</b>		
a).Financial assets mandatorily measured at fair value through profit or loss	-	-
b). Interest income on financial assets fair valued through other comprehensive income		
-Non Convertible debentures	-	-
c). Financial assets carried at amortised cost		
Tax free bonds and government bonds	-	-
Deposits with banks and others	1,77,618	4,03,647
<b>Sub total (i)</b>	<b>1,77,618</b>	<b>4,03,647</b>
<b>Dividend Income</b>		
a).Investments mandatorily measured at fair value through profit or loss	-	-
b).Equity investment designated at fair value through other comprehensive income	-	-
<b>Sub total (ii)</b>	<b>-</b>	<b>-</b>
Unwinding of discount on security deposits(iii)	-	-
Government grants (iv)	-	-
Rental income on Investment Properties (v)	-	-
<b>Total(i+ii+iii+iv+v)</b>	<b>1,77,618</b>	<b>4,03,647</b>

**Note 16: Net gain on de-recognition of financial assets at amortised cost**

Particulars	For the Year ended March 2020	For the year ended March 2019
Profit on sale of land and buildings	2,91,54,304	-
Written off of liability	-	42,76,702
<b>Total Gain</b>	<b>2,91,54,304</b>	<b>42,76,702</b>

**Note 17: Net gain on reclassification of financial assets**

Deposits with banks and others	For the Year ended March 2020	For the year ended March 2019
Profit on sale of land and buildings	-	-
Written off of liability	-	-
<b>Total Gain</b>	<b>-</b>	<b>-</b>

**Note 18.1 Cost of Material Consumed**

Particulars	For the Year ended March 2020	For the year ended March 2019
<b>A. Raw Material Consumed</b>		
Raw materials at the beginning of the year	51,31,101	15,45,151.0
Add: Purchases During the year	10,78,51,147	110307112
Less: Raw materials at the end of the year	64,59,699	5131101
<b>Total cost of raw material consumed</b>	<b>10,65,22,549</b>	<b>10,67,21,162</b>
<b>B). Packing Material</b>		
Packing materials at the beginning of the year	34,03,484	8,31,696
Add : Purchases During the year		
Less: Packing materials at the end of the year	75,16,800	34,03,484
<b>Total cost of packing materials consumed (B)</b>	<b>(41,13,316)</b>	<b>(25,71,788)</b>
<b>Total cost of Materials consumed (B)</b>	<b>10,24,09,233</b>	<b>10,41,49,374</b>

**Note 18.2 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the Year ended March 2020	For the year ended March 2019
Opening Balnce		
Finished Goods	1,23,80,247	52,87,754
Work in Progress	65,60,286	10,67,670
Stock in Trade (Including Goods in Transit)	12,918	-
Spares and Consumables	2,57,980	2,70,898
<b>Total Opening Balnces</b>	<b>1,92,11,431</b>	<b>66,26,322</b>
<b>Closing Balance</b>		
Finished Goods	1,36,66,074	1,23,80,247
Work in Progress	92,03,852	65,60,286
Stock in Trade (Including Goods in Transit)	(9,147)	12,918
Spares and Consumables	2,80,045	2,57,980
<b>Total Closing Balance</b>	<b>2,31,40,824</b>	<b>1,92,11,431</b>
<b>Total Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>(39,29,393)</b>	<b>(1,25,85,109)</b>

**Note 18.3 Employee Befebits**

Particulars	For the Year ended March 2020	For the year ended March 2019
Salaries, Wages, Bonus etc.	5,13,98,571	4,72,51,998
Contribution to P.F, E.S.I and Other Statutory Funds	29,45,668	57,82,847
Employee share based payment expenses	-	-
Gratuity	-	-
Leave compensation	-	-
Post-employment pension benefits	-	-
Post-employment medical benefits	-	-
Staff welfare expenses	8,99,835	9,41,599
<b>Total Employee benefits</b>	<b>5,52,44,074</b>	<b>5,39,76,444</b>



**Note 18.4 Finance Cost**

Particulars	For the Year ended March 2020	For the year ended March 2019
<b>Interest and finance charges on financial liabilities carried at amortised cost</b>		
a). Interest on Bank Borrowings	28,11,270	1,98,76,575
b). Interest on Bill Discounting	-	-
c). Other Interest Expenses (Bank Charges)	1,34,122	11,19,864
Less: Amount Capitalised	-	-
<b>Total Interest on financial liabilities carried at amortised cost</b>	<b>29,45,392</b>	<b>2,09,96,439</b>
Intest on Trade payables (as per MSME Act)	-	-
Interest on delayed payment of statutory dues	-	-
Unwinding of discount on provision	-	-
Exchange difference regarded as adjustment to borrowing costs	-	-
Dividend on redeemable preference shares (including dividend distribution tax)	-	-
<b>Total Finance Cost</b>	<b>29,45,392</b>	<b>2,09,96,439</b>

**Note 18.5 Depreciation and Amortisation Expenses**

Particulars	For the Year ended March 2020	For the year ended March 2019
Depreciation on plant, property and equipment	1,25,54,622	1,50,26,427
Depreciation on Investment properties	-	-
Amortisation on Intangible assets	-	-
<b>Total depreciation and Amortisation expenses</b>	<b>1,25,54,622</b>	<b>1,50,26,427</b>

**Note 18.6 : Other expenses**

Particulars	For the Year ended March 2020	For the year ended March 2019
Audit Fees	2,00,000	2,00,000
Consumptions of Store and Spares	20,33,262	30,94,327
Power and Fuel	1,35,12,126	1,43,39,297
Factory Maintenance	20,00,702	9,44,134
Insurance	98,353	56,199
Rates and Taxes	6,85,755	8,10,330
Security Charges	5,99,550	6,73,412
Travelling & Conveyance Expenses	6,53,190	2,91,398
Job Work Charges	-	87,63,759
Printing & Stationery	1,23,371	1,60,652
Factory rent	86,45,162	-
Telephone Expense	1,04,684	1,51,530
Vehicle Maintenance	1,03,515	5,05,028
Other General Expenses	6,92,919	34,38,636
Marketing Expenses	71,93,220	1,15,61,632
Carriage Outwards	61,27,725	85,30,202
Consultancy and Legal Charges	9,10,874	9,60,390
Office Maintenance	3,20,358	3,25,559
Provident Fund Damages Deposits Written off	-	5,09,737
<b>Total</b>	<b>4,40,04,766</b>	<b>5,53,16,222</b>

**18.6.1 Payment to Auditors**

Particulars	For the Year ended March 2020	For the year ended March 2019
As An Auditor		
- Audit Fees	1,50,000	1,50,000
- Tax Audit	50,000	50,000
- Limited Review	-	-
In Other Capacity		
- Taxation Matters	-	-
- Company Law matters	-	-
- Certification matters	-	-
- Reimbursement of Expenses	-	-
<b>Total Payment to Auditor</b>		

**16.5.2 Corporate Social Responsibility( CSR) Not Applicable to this period**

Particulars	For the Year ended March 2020	For the year ended March 2019
Amount required to be spent as per Section 135 of the Companies Act, 2013	-	-
<b>Amount spent during the year on:</b>	-	-
	-	-

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

**Note 19: Related party disclosures**

**Names of related parties and description of relationship:**

<b>Name of the Preson/Firm</b>	<b>Description of Relationship</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
<b>Direct or indirect subsidiaries of ultimate holding company with which transactions have taken place</b>	

The details of the related party transactions entered into by the Company during the year ended March 31, 2020 and balances as at March 31, 2020 are as follows:

<b>Particulars of transactions</b>	<b>(Amt. in Rs.)</b>	
	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
<b>G Padma</b>		-
Opening Balance	-	-
Loan taken	-	6,00,000
Loan repaid	-	5,00,000
Balance payable	-	1,00,000
<b>A.Bala Gopal</b>		
Opening Balance	12,39,20,534	4,30,40,443
Loan taken	41,57,977	8,08,80,091
Loan repaid	-	-
Balance payable	12,80,78,511	12,39,20,534

**Note 20.1: Basic Earnings Per Share (there are no discontinued operation) (Amt. in Rs.)**

	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2019</b>
Nominal Value of Equity Shares (Rupees per Share fully paid-up)	10	10
Profit after Tax (in Rs.)	4,05,42,500	(2,02,80,823)
Weighted average number of Equity shares outstanding during the year	1,48,60,700	1,48,60,700
Earnings Per Share (in Rs.) – Basic	2.73	(1.36)

**Note 20.2: Diluted Earnings Per Share (there are no discontinued operation) (Amt. in Rs.)**

	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2019</b>
Nominal Value of Equity Shares (Rupees per Share fully paid-up)	10	10
Profit after Tax (in Rs.)	4,05,42,500	(2,02,80,823)
Number of Equity shares outstanding during the year	1,48,60,700	1,48,60,700
Weighted average number of Equity shares outstanding during the year	1,48,60,700	1,48,60,700
Earnings Per Share (in Rs.) – Basic	2.73	(1.36)
Earnings Per Share (in Rs.) – Diluted	2.73	(1.36)

## **Corporate Information:**

Sangam Health Care Products Limited (“the Company”) was incorporated in India in the year 1993 having its Registered office at # 205,206, Amarchand Sharma Complex, S.P Road, Secunderabad, Telangana The Company is engaged in the business of manufacturing and trading of medical products. the share of the company is listed in Bombay Stock Exchange.

## **Disclosure of Significant Accounting Policies:**

### **1.1 Basis for Preparation of Financial Statements:**

#### **a) Compliance with Indian Accounting Standards (Ind As)**

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind As) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013.

The standalone financial statements have been prepared on the historical cost basis except for certain instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as ‘Standalone Financial Statements’ or ‘financial statements’).

These financial statements are approved by the Board of Directors on 26-06-2020.

#### **b) Basis of Preparation of financial statements**

The separate financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis as per the provisions of Companies Act 2013.

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- Employee share-based payments – measured at fair value
- Biological assets – measured at fair value
- In addition, the carrying values of recognized assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable

to the risks that are being hedged in effective hedge relationship.

### **Current and Non-Current Classification:**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it satisfies any of the following criteria: it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle. It is held primarily for the purpose of being traded;

- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.
- A liability is classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification
- All other liabilities are classified as non-current

### **c) Use of estimates and judgment**

The preparation of the financial statements in conformity with Ind AS, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

**The areas involving critical estimates or judgments are:**

<b>S.no</b>	<b>Name of the estimate</b>	<b>Note No</b>	<b>Remarks</b>
1	Fair value of unlisted equity securities	Not applicable	No unlisted equity shares are held by the company during the current financial year
2	Goodwill impairment	Not applicable	No amount provided during the current Financial year
4	Useful life of intangible asset	Not Applicable	No intangible assets held by the company for the current financial year
5	Defined benefit obligation	Note No.12	Long term provision for gratuity
7	Measurement of contingent liabilities and contingent purchase consideration in a business combination	Not applicable	Contingent transactions are recognized based on happening contingent event. No contingent liabilities for the report
8	Current tax expense and current tax payable	Note No.5	As per the Ind AS.12
9	Deferred tax assets for carried forward tax losses	Note No.5	As per the Ind AS.12
10	Impairment of financial assets	Note No.3	As per Ind AS 16

**d. Standards issued but not effective** (*based on Exposure drafts available as on date*)

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

**i). Issue of Ind AS 117 – Insurance Contracts:**

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

**Application of this standard is not expected to have any significant impact on the Company's financial statements.**

**Amendments to existing Standards**

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination - nil
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property - nil

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

1. **Significant accounting policies:**

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

1.1. **Ind AS 105: Non-Current Assets held for Sale or Discontinued Operations:**

S.no	Particulars of Disclosures	As at 31 <sup>st</sup> March 2020 (Rs.)	As at 31 <sup>st</sup> March 2019 (Rs.)
1	A Description of Non-Current Asset (Disposal group)	-	-
2	a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of that disposal	-	-
3	the gain or loss recognized in accordance with paragraphs 20– 22 and, if not separately presented in the statement of profit and loss, the caption in the statement of profit and loss that includes that gain or loss	2,91,54,304	-

- 1.2 **Ind AS 106: Exploration for Evolution of Mineral resources:** This Ind AS 106 not applicable, the company is in the business of manufacture and trading of health care products. Hence this Ind AS does not have any financial impact on the financial statements of the company.

1.2 **Ind AS-16: Property, Plant and Equipment:**

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Assets are tested 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 cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the Companies act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

<b>S.no</b>	<b>Asset</b>	<b>Use full life in Years</b>
1	Plant and Machinery	20

2	Electrical Installations	20
3	Lab Equipment	7
4	Computers	7
5	Office Equipment	5
6	Furniture & Fixtures	5
7	Vehicles	5

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

### 1.3 Impairment Assets (Ind AS 36)

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. 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 assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

The books of accounts of the company doesn't carry any impairment of assets during the reporting period, hence this accounting standard does not have financial impact on the financial statements of the company.

### 1.4 Intangible assets (Ind AS 38):



Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

The books of accounts of the company doesn't carry any intangible assets during the reporting period, hence this accounting standard does not have financial impact on the financial statements.

### 1.5 Cash Flow Statement (Ind AS 7):

Cash flows are reported using the indirect method under Ind AS 7, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### a). Non-cash items: Nil

#### b). Changes in Liability Arising from Financing Activity

Particulars	01-Apr-19	Cash Flow		31-Mar-20
		Receipts	Payments	
Current Borrowings	203,591,971	-	32,517,467	171,074,504
Non-current Borrowings	7,815,495	-	3,000,000	4,815,495
<b>Total</b>	<b>211,407,466</b>	<b>-</b>	<b>35,517,467</b>	<b>175,889,999</b>

### 1.6 Operating Cycle:

The Company has adopted its normal operating cycle as twelve months based on the nature of products and the time between the acquisition of assets for processing and their realization, for the purpose of current / non-current classification of assets and liabilities.

### **1.7 Capital Work In Progress**

Capital Work in Progress (CWIP) includes Civil Works in Progress, Plant & Equipment under erection and Preoperative Expenditure pending allocation on the assets to be acquired/commissioned, capitalized. It also includes payments made to towards technical know-how fee and for other General Administrative Expenses incurred for bringing the asset into existence.

### **1.8 Investments:**

**Investments are classified as Non-Current and Current investments.**

Investments, which are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at lower of cost and fair value. Non-Current Investments are carried at cost less provision for other than temporary diminution, if any, in value of such investments.

### **1.9 Effects of changes in foreign Rates (Ind AS 21):**

Foreign currency transactions are recorded at the exchange rates prevailing on the dates when the relevant transactions took place. Exchange difference arising on settled foreign currency transactions during the year and translation of assets and liabilities at the yearend are recognized in the statement of profit and loss.

In respect of Forward contracts entered into to hedge risks associated with foreign currency fluctuation on its assets and liabilities, the premium or discount at the inception of the contract is amortized as income or expense over the period of contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or expense in the period in which such cancellation or renewal is made.

The company has not entered any foreign exchange transactions during the reporting period, hence this accounting standard does not have financial impact on the financial statements.

### **1.10 Borrowing Costs (Ind AS 23):**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets up to the date of capitalization of such asset are capitalized as part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

#### **1.11 Revenue Recognition ( Ind AS 18-Revenues) :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- a) Sales Revenue is recognized on dispatch to customers as per the terms of the order. Gross sales are net of returns and applicable trade discounts and excluding GST billed to the customers.
- b) Subsidy from Government is recognized when such subsidy has been earned by the company and it is reasonably certain that the ultimate collection will be made.
- c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.
- d) All other incomes are recognized based on the communications held with the parties and based on the certainty of the incomes.

#### **1.12 Accounting for Government Grants and Disclosure of Government Assistance (Ind AS 20):**

##### **Government grants:**

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary

grants are recognized and disclosed as ‘deferred income’ under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest and effect of this favorable interest is treated as a government grant. The loan or assistance is initially recognized at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognized to the income statement immediately on fulfillment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### **1.13 Inventories (Ind AS 2):**

Inventories at the yearend are valued as under:

Raw Materials, Packing Material, Components, Consumables and Stores & Spares	At Cost as per First in First out Method (FIFO)
Work In Progress and Finished goods	At lower of net realizable value and Cost of Materials plus Cost of Conversion and other costs incurred in bringing them to the present location and condition

- Cost of Material excludes duties and taxes which are subsequently recoverable.
- Stocks at Depots are inclusive of duty, wherever applicable, paid at the time of dispatch from Factories.

### **1.14 Trade Receivables – Doubtful debts:**

Provision is made in the Accounts for Debts/Advances which is in the opinion of Management are Considered doubtful of Recovery.

### **1.15 Retirement and other Employee Benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than contribution payable to the provident fund.

The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders related service.

Gratuity liability is a defined benefit obligation and the cost of providing the benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for this plan using the projected unit credit method. Actuarial gains and losses for defined benefits plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

#### **1.16 Ind AS 17- Leases**

Finance charges in respect of finance lease obligations are recognized as finance costs in the statement of profit and loss. In respect of operating leases for premises, which are cancellable / renewable by mutual consent on agreed terms, the aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.

#### **1.17 Insurance Claims:**

Insurance Claims are accounted for on the basis of claims admitted/excepted to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

#### **1.18 Earnings per Share (Ind AS 33):**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net 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.

**Basic Earnings Per Share (Continued operation) (Amt. in Rs.)**

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Nominal Value of Equity Shares (Rupees per Share fully paid-up)	10	10
Profit after Tax (in Rs.) - (A)	40,542,500	(20,280,823)
Weighted average number of Equity shares outstanding during the year - (B)	14,860,700	14,860,700
Earnings Per Share (in Rs.) – Basic = (A/B)	2.73	(1.36)

**Diluted Earnings Per Share (Continued operations) (Amt. in Rs.)**

<b>Particulars</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Nominal Value of Equity Shares (Rupees per Share fully paid-up)	10	10
Profit after Tax (in Rs.) (A)	40,542,500	(20,280,823)
Number of Equity shares outstanding during the year (B)	14,860,700	14,860,700
Weighted average number of Equity shares outstanding during the year (C )	14,860,700	14,860,700
Dilutive Equity shares (D)	Nil	Nil
Earnings Per Share (in Rs.) – Diluted = A/(C+D)	2.73	(1.36)

**1.19 Provisions, Contingent Liabilities and Contingent Assets (Ind AS 37) :**

The Company recognized provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources required to settle the obligation in respect of which a reliable estimate can be made. A disclosure for Contingent liabilities is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets are neither recognized nor disclosed in the financial statements.

## **1.20 Prior Period and Extraordinary and Exceptional Items:**

- (i) All Identifiable items of Income and Expenditure pertaining to prior period are accounted through "Prior Period Items".
- (ii) Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly. The nature and the amount of each extraordinary item be separately disclosed in the statement of profit and loss in a manner that its impact on current profit or loss can be perceived.
- (iii) Exceptional items are generally non-recurring items of income and expenses within profit or loss from ordinary activities, which are of such, nature or incidence.

## **1.21 Financial Instruments (Ind AS 107 Financial Instruments: (Disclosures)**

### **I. Financial assets:**

#### **A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

#### **a) Financial assets carried at amortized cost (AC)**

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **b) Financial assets at fair value through profit or loss (FVTPL)**

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

**c) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose Objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**B. Investments in subsidiaries**

The Company has accounted for its investments in subsidiaries at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

**II. Financial Liabilities**

**A. Initial recognition**

All financial liabilities are recognized at fair value.

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

**28. Contingent Liabilities not provided for and commitments:**

**(in Rupees)**

<b>Nature of Contingent Liability</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
i. Unexpired guarantees issued on behalf of the company by Banks for which the Company has provided counter guarantee	NIL	NIL
ii. Bills discounted with banks which have not matured	Nil	Nil
iii. Corporate Guarantees issued by Company on behalf of others to Commercial Banks & Financial Institutions	Nil	Nil
iv. Collateral Securities offered to Banks for the limit Sanctioned to others	Nil	Nil
v. Legal Undertakings given to Customs Authorities for clearing the imports	Nil	Nil



vi. Claims against the company not acknowledged as debts		
a. Excise	NIL	NIL
b. Sales Tax	NIL	NIL
c. Service Tax	Nil	Nil
d. Income Tax	NIL	NIL
e. Civil Proceedings	NIL	NIL
f. Company Law Matters	Unascertainable	Unascertainable
g. Criminal Proceedings	Unascertainable	Unascertainable
h. Others	Nil	Nil
vii. Estimated amounts of contracts remaining to be executed on Capital Account and not provided for	Nil	Nil

**29. Operating Segments (Ind AS 108)**

The company has only one business segment such as Manufacturing and sale of health care products. Hence reporting is not applicable.

**30. Events Reporting Period (Ind AS-10)**

An entity shall adjust the amounts recognized in its financial statements to reflect adjusting events after the reporting period.

**31. Construction Contracts (Ind AS -11):**

The company is in the business of Manufacturing and trading of Health care products, hence Ind AS -11 Construction Contract not applicable.

**32. Income Taxes (Ind AS 12)**

Tax Expense comprises of current and deferred tax.

- **Current Tax:**

Current Tax on Income is determined and provided on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

In the year in which 'Minimum Alternative Tax '(MAT) on book profits is applicable and paid, eligible MAT credit equal to the excess of MAT paid over and above the normally computed tax, is recognized as an asset to be carried forward for set off against regular tax liability when it is probable that future economic benefit will flow to the Company within the MAT credit Entitlement period as specified under the provisions of Income Tax Act, 1961.

- **Deferred Taxes:**

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### **33. Retirement and other Employee Benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders related service.

Gratuity liability is a defined benefit obligation and the cost of providing the benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for this plan using the projected unit credit method. Actuarial gains and losses for defined benefits plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately

taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**34. Related Party Disclosures (Ind AS 24):**

Related Party disclosures required as per Accounting Standard (Ind AS-24) on “Related Party disclosures “issued by the Institute of Chartered Accountants of India ,are as below :

**a) Names of related parties and the Description of Relationship :**

Sl.No	Name	Relationship
(i)	Subsidiary companies	NIL
(ii)	<b>Key Management Personnel</b> Shri.A.Balagopal Smt. G.Padma Shri. V.Satish Kumar	Managing Director Director Chief Financial Officer

<b>SRI A. BALAGOPAL, Managing Director</b>		
Particulars	March 31, 2020	March 31, 2019
<b>Transactions during the Year</b>		
Directors Remuneration	nil	-
Amount paid for expenses	-	-
Amount paid against Remuneration	NIL	NIL
<b>Amounts Outstanding at Balance Sheet Date</b>		
Amount Receivable /(Payable)	12,69,35,414	12,39,20,534
<b>SMT. G. PADMA Director</b>		
Particulars	March 31, 2020	March 31, 2019
<b>Transactions during the Year</b>		
Directors Remuneration		
Amount paid for Expenses	-	-
Amount paid against Remuneration		
Loans (Received)/Paid	7,00,000	1,00,000
Interest Paid	-	
<b>Amounts Outstanding at Balance Sheet Date</b>		
Amount Receivable/(Payable)	0	7,00,000
<b>SRI. V SATISH KUMAR –CHIEF FINANCIAL OFFICER</b>		
Particulars	March 31, 2020	March 31, 2019
<b>Transactions during the Year</b>		

Remuneration paid	6,00,000	6,00,000
Amount Received	-	-
<b>Amounts Outstanding at Balance Sheet Date</b>		
Amount Receivable/(Payable)		

**35. Consolidated and Separate Financial Statement (Ind AS 27):**

The company has no subsidiary companies for the current reporting period. Hence consolidate and separate financial statement are not applicable.

**36. Investments in Associates (Ind AS 28):**

The company has not made any investments in any of its associates during the reporting period. This accounting standard has no financial impact on the financial statements for the current reporting period.

**37. Interest in Joint Ventures (Ind AS 31)**

The company has no interest in any Joint ventures. This accounting standard has no financial impact on the financial statements for the current reporting period.

**38. Earnings Per Share (Ind AS 33):**

a). Basic Earnings Per Share for (continued operations) there are no discontinued operations hence, EPS is presented for continued operations only.

Particulars	March 31, 2020	March 31, 2019
Profit After Tax (Rs.)- (A)	4,05,42,499	(2,02,80,823)
Weighted Average No. of Shares (Basic)- (B)	1,48,00,000	1,48,00,000
EPS (Basic) = (A)/(B)	2.73	(1.36)

b). Diluted earning per share(continued operations) there are no discontinued operations hence, EPS is presented for continued operations only.

Particulars	March 31, 2020	March 31, 2019
Profit After Tax (Rs.)- (A)	4,05,42,499	(2,02,80,823)
Weighted Average No. of Shares (Diluted) -(B)	1,48,00,000	1,48,00,000
EPS (Diluted) = (A)/(B)	2.73	(1.36)

**39. Derivative instruments and un-hedged foreign currency exposure:**

- a) There are no outstanding derivative contracts as at March 31, 2020 and March 31, 2019.
- b) Particulars of Un-hedged foreign currency exposure is : Nil

**40. Secured Loans:**

**A) Term Loans from banks and financial institutions, together with interest accrued thereon, are secured by way of**

- i) Vehicle Loans - primarily secured by the vehicle acquired with the loan sanction and personal guarantee of Director

**41. Confirmation of Balances:**

Confirmation letters have been issued by the company to Trade Receivables, Trade Payables, Advances to suppliers and others advances requesting that the confirming party responds to the company only if the confirming party disagrees with the balances provided in the request and however the company has not received any letters on disagreements.

**42. Net Current Assets:**

S.no	Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>A</b>	<b>Current Assets:</b>		
1	Inventories	3,71,26,470	2,77,33,098
2	Trade Receivables	50,10,222	34,69,081
3	Cash and Cash equivalent	75,136	5,12,575
4	Current Tax Asset (Net)	58,130	40,365
5	Other Current Asset	2,16,25,313	1,60,60,639
	<b>Total Current Assets</b>	<b>6,38,95,271</b>	<b>4,78,15,758</b>
<b>B</b>	<b>Current Liabilities:</b>		
1	Borrowings	17,10,74,504	20,35,91,971
2	Trade Payables	5,92,08,424	3,99,90,113
3	Other Current Liabilities	4,00,21,206	16,57,50,587
	<b>Total Current liabilities</b>	<b>27,03,04,134</b>	<b>40,93,32,671</b>
<b>C</b>	Current Assets-Current Liabilities	-20,64,08,863	-36,15,16,913

The total current liabilities includes as amount of Rs.15,73,31,699 relating to promoters/ directors of the company. The promoters of the is infusing the funds to safe guard the liquidity of the company.

**43. Revenue from Operations:**

S.no	Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
1	Sale of goods:		
	Sale of Manufactured Products	21,80,55,047	21,03,92,037
	Stock In trade	-	-
	Total	21,80,55,047	21,03,92,037
2	Revenue from Sale of Service	Nil	Nil
3	Other Operating Revenues	Nil	Nil

**44. Revenue Reconciliation:**

S.no	Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
1	Sale of Products”		
	Domestic	24,35,12,713	23,47,96,162
	Exports	-	-
	Gross Revenue	24,35,12,713	23,47,96,162
	Less: Discount	-	-
	Less: Returns	-	-
	Less: price Concession	-	-
	Less Incentives and Performance bonus	-	-
	Less: Goods and service Tax	2,54,57,666	2,44,04,125
	Net Revenues recognized from contracts with customers	21,80,55,047	21,03,92,037

**45. Other Income:**

S.no	Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
1	Interest on Deposits with Electricity Dept.	1,77,618	4,03,647

**46. Details of Loans given, Investments made and Guarantee given covered Under Section 186(4) of the Companies Act, 2013.**

The company has not extended any Corporate Guarantees in respect of loans availed by any company/firm as at March 31, 2020

**47. Auditors' Remuneration:**

<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Fees towards*		
Statutory Audit	2,00,000	2,00,000

\*The fees is exclusive of GST

**48. Dues to Micro Small and Medium Enterprises:**

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act.) as at 31.03.2020.

<b>SL No</b>	<b>Description</b>	<b>March 31, 2020</b>
1	Principal amount due to suppliers under MSMED	NIL
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	NIL
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	NIL
4	Payment made to suppliers ( other than interest ) beyond the appointed day during the previous year	NIL
5	Interest paid to suppliers covered under MSMED	NIL
6	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	NIL

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with company.

**49. Financial Risk Management**

In course of its business, the company is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

**50. Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

**51. Liquidity risk**

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as pre requirements. The Company's exposure to liquidity risk is minimal as the promoters of the company is infusing the funds based on the requirements.

**52.** Amounts have been rounded off to nearest Rupee.

**As per our report of even date**

**For M MREDDY & CO.,**

**Chartered Accountants**

**Firm Reg. No. 010371S**

**Sd/-**  
**M. Madhusudhana Reddy**  
**Partner**  
**Membership No. 213077**

**Sd/-**  
**A.Balagopal**  
**Managing Director**  
**DIN:01712903**

**Sd/-**  
**G.Padma**  
**Director**  
**DIN :07078176**

**Place: Hyderabad**

**Date: 26-06-2020**