

## **DIRECTORS' REPORT**

**To the Members,**

The Directors have pleasure in presenting before you the 28<sup>th</sup> Directors' Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2022. 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, 2022 has been as under:

(Rs. In Lakhs)

<b>Particulars</b>	<b>Standalone</b>	
	<b>2021-2022</b>	<b>2020-2021</b>
Total Income	870.43	955.48
Total Expenses	1043.05	1214.55
Profit Before Exceptional and Extraordinary Items and Tax	(172.61)	(259.06)
Exceptional Items	---	---
Profit Before Tax	(172.61)	(259.06)
Current tax	--	--
Deferred tax	(17.87)	37.31
Net profit After tax	(154.74)	(296.37)

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

During the year under review, the Company has recorded a total income of Rs. 870.43 lakhs and loss of Rs. 154.74 lakhs for the financial year ending 31.03.2022 as against the total income of Rs. 955.48 lakhs and Loss of Rs. 296.37 lakhs in the previous financial year ending 31.03.2021.

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

There were no material changes and commitments affecting financial position of the company between 31<sup>st</sup> March, 2022 and the date of Board's Report. (i.e. 14.08.2022).

### **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. Bhagat Reddy, 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 04 (Four) times on 30.05.2021, 14.08.2021, 14.11.2021, and 14.02.2022 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 during the financial year 2022-23 including between the financial year ended 31<sup>st</sup> March 2022 and date of Board’s report (i.e 14.08.2023):

<b>S. No</b>	<b>Name of the Directors/ KMP</b>	<b>Designation</b>
1	Mr. D. Bhagat Reddy	Managing Director
2	Mrs. Padma Ghanakota	Non Executive Director
3	Mr. A. Sai Balaji Krishna Teja	Non Executive Director

4	Mr. Rajesh Kakkera	Independent Director
5	Mr. M. Madhavarao	Independent Director
6	Mr. Addagarla Tarun	Independent Director

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	
<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 annual return is uploaded 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 Kakkera and Mr. Madhavarao Mandalapu, and Mr. Addagarla Tarun 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 SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO CENTRAL GOVERNMENT.**

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

## **22. STATUTORY AUDITORS:**

M/s. M.M Reddy & Co Chartered Accountants, have been appointed on the recommendation of Audit Committee and Board of Director's (in conformity with the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (includes amendments thereto), as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the 26th AGM till the conclusion of the 31<sup>st</sup> AGM. The Auditors' Reports for the financial year 2021-22 does not contain any qualification, reservation, adverse remark or disclaimer. The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

## **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. Chakravaerthy & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit carried out for FY 2021-22 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, 2022 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)	:	NIL
Electricity (kwh) per Lakh Nos	:	NIL
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:**

Since your 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 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.



## **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 2021-22.

**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:

All employees are covered under this policy. During the year 2021-22, 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 2021-22.

**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 2021-22, 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**

Place: Secunderabad  
Date: 14.08.2022

Sd/-  
D. Bhagat Reddy  
Managing Director

Sd/-  
Padma Ghanakota  
Director

**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
Padma Ghanakota	Spouse of A. Bala Gopal	NID & NED	04	04	Yes	--	--	--
Rajesh Kakkera	None	ID & NED	04	04	Yes	--	--	--
M. Madhavara o	None	ID & NED	04	04	Yes	--	--	--
Mr. D. Bhagat Reddy	None	MD	04	04	Yes			
Mr. A. Sai Balaji	None	NID & NED	04	04	Yes			

Krishna Teja								
Mr. Addagarla Tarun	None	ID & NED	04	04	Yes			

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

Table 2		
Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. D. Bhagat Reddy	--	--
Mr Padma Ghanakota	--	--
M. Madhavarao	--	--
Padma Ghanakota	--	--
Mr. A. Sai Balaji Krishna Teja	--	--
Mr. Addagarla Tarun	--	--

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

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

Skills Description	A. Bala Gopal	Padma Ghanakota	Rajesh Kakkera	M. Madhavarao
<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
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## 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, 30.05.2021, 14.08.2021, 14.11.2021, and 14.02.2022.

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No of Meetings held</b>	<b>No of Meetings attended</b>
Mr. Rajesh kakker	Chairman	NED(I)	4	4
Mr. M. Madhavarao	Member	NED(I)	4	4
Mr. Addagarla Tarun	Member	NED(I)	4	4

**NED (I)** : Non Executive 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. Rajesh kakkera	Chairman	NED(I)	4	4
Mr. M. Madhavarao	Member	NED(I)	4	4
Mr. Addagarla Tarun	Member	NED(I)	4	4

**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 30.05.2021, 14.08.2021, 14.11.2021 and 14.02.2022.

<b>Name</b>	<b>Designation</b>	<b>Category</b>	<b>No of Meetings held</b>	<b>No of Meetings attended</b>
Mr. M. Madhavarao	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

**C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2021-22:**

Opening balance	Received during the year	Resolved during the year	Closing balance
0	0	0	0

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

During the financial year the Company has not appointed company secretary and compliance officer of the company,

**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 2021-22 AND OTHER DISCLOSURES:**

<b>Name of the Director</b>	<b>Salary (Rs)</b>	<b>Sitting Fees (Rs)</b>	<b>Number of shares held</b>	<b>Service Contracts</b>	<b>Stock Option Details</b>	<b>Fixed Component</b>	<b>Performance Based Incentive</b>
A. Bala Gopal	--	--	3,001,000	--	--	--	--
Padma Ghanakota	--	--	20,00,000	--	--	--	--
Rajesh Kakkera	--	--	--	--	--	--	--
M. Madhavarao	--	--	--	--	--	--	--

## **11. 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 14.02.2022, 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)).

## **12. 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
2021-22	30.09.2022	09.00 AM	205,206, Amarchand Sharma Complex, S.P. Road, Secunderabad – 500002, Telangana	No
2020-21	30.09.2021	09.00 AM	205,206, Amarchand Sharma Complex, S.P. Road, Secunderabad – 500002, Telangana	No
2019-20	30.09.2020	09.00 AM	205,206, Amarchand Sharma Complex, S.P. Road, Secunderabad – 500002, Telangana	No

### **B. PASSING OF RESOLUTIONS BY POSTAL BALLOT**

There were no resolutions passed by the Company through Postal Ballot during the financial year 2021-22.

## **13. 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).

#### **14. GENERAL SHAREHOLDER INFORMATION:**

##### **A. ANNUAL GENERAL MEETING:**

The 27<sup>th</sup> Annual General Meeting of the Company will be held as per the following schedule:

<b>Day</b>	<b>Monday</b>
<b>Date</b>	30.09.2022
<b>Time</b>	09.00 P.M.
<b>Venue</b>	At the Registered Office of the Company

##### **B. VENUE: FINANCIAL YEAR AND FINANCIAL YEAR CALENDAR 2022-23 (TENTATIVE SCHEDULE)**

The financial calendar (tentative) shall be as under:

<b>Financial Year</b>	<b>2022-23</b>
First Quarterly Results	14.08.2022
Second Quarterly Results	14.11.2022
Third Quarterly Results	14.02.2022
Fourth Quarterly Results	30.05.2023
Annual General Meeting for year ending 31 <sup>st</sup> March,2023	30.09.2023

**C. DIVIDEND PAYMENT DATE:** No Dividend is declared during the Financial Year 2021-22.

**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 2021-22 to BSE Limited.

**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

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

**H. MARKET PRICE DATA**

**The monthly high / low prices of shares of the Company from April, 2021 to March, 2022 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, 2022:**

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, 2022 is as follows:

<b>Particulars</b>	<b>No. of Shares</b>	<b>% Share Capital</b>
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 24.09.2022 to 30.09.2022 (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,2022:**

<b>S.No</b>	<b>Category</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
-------------	-----------------	---------------------------	--------------------------

<b>A</b>	<b>Shareholding of Promoter and Promoter group</b>		
<b>1.</b>	Indian		
	Individual	10421030	70.12
<b>2.</b>	Foreign		
	Individual		
	<b>Sub-Total A</b>	<b>10421030</b>	<b>70.12</b>
<b>B</b>	<b>Public Shareholding</b>		
<b>1.</b>	Institutions	1253000	8.43
<b>2.</b>	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>

## 15. 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: 14.08.2022

Sd/-  
D. Bhagat Reddy  
Managing Director

Sd/-  
Padma Ghanakota  
Director

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

I, D. Bhagat Reddy, 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 2021-22.

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

Place: Secunderabad  
Date: 14.08.2022

Sd/-  
D. Bhagat Reddy  
Managing Director

**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, 2022**

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31<sup>st</sup>March 2022 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 2022 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: 14.08.2022**

**Sd/-  
Vijay rayapu Reddy Tumma  
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, 2022, 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: 14.08.2022

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>2021-22</b>	
<b>KEY PROFITABILITY RATIOS</b>		
OPERATING PROFIT MARGIN	2.29%	
NET PROFIT MARGIN	18.57%	
PAT / NETWORTH (ROE)	2.73	
<b>KEY CAPITAL STRUCTURE RATIOS</b>		
NET DEBT / EQUITY	1.94	
CURRENT RATIO	0.236	
DEBT SERVICE COVERAGE RATIO	14.03	
INTEREST COVERAGE RATIO	2.69	
DEBTORS TURNOVER RATIO	43.52	
STOCK TURNOVER RATIO	5.87	

## **ANNEXURE – III**

### **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, 2022**

To  
The Members of  
Sangam Health Care Products Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Sangam Health Care Products Limited (hereinafter called “the Company”). Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the financial year commencing from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder:

- 1.** I have examined the books, papers, minutes, 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, 2022, 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 2021-22.

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly 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
- 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.

I 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:

- (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 Four (04) 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, I 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,

I report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

**I further report that:**

- i. The Company has a CFO namely Mr. Vijay Rayapu Reddy Tumma
- ii. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- iii. As per the Minutes of the meeting, the decisions of the Board were unanimous and no dissenting views have been recorded.
- iv. 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.

**I 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.
- 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 2021-22 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. Pursuant to the provisions of the Section 108 of companies act, 2013 the results declared along with the report of Scrutinizer shall be placed before on the website of the company. It was observed that the company has not updated the Scrutinizer report on website of the company.
- vi. The Company has not submitted audited financial results for the quarter and year ended 31.03.2022 within 45 days from the end of the quarter and year under reg 33 of SEBI (LODR) Regulations, 2015.

**For Chakravarthy & Associates**

**Place: Hyderabad**

**Date: 14.08.2022**

**Sd/-**

**N Phani Chakravarthy**

**M.No. 32380 & C.P.No. 22563**

#### **Annexure A**

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

The secretarial audit report for F.Y 2021-22 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. 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.

For Chakravarthy & Associates

Place: Hyderabad

Date: 14.08.2022

Sd/-

N Phani Chakravarthy

M.No. 32380 & C.P.No. 22563

## **Independent Auditors' Report**

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

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

#### **Opinion**

We have audited the accompanying standalone financial statements of **SANGAM HEALTH CARE PRODUCTS LIMITED**, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 **Companies Act, 2013** ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the **Companies (Indian Accounting Standards) Rules, 2015**, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in

our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure – A statement on the matters specified in the Order, to the extent applicable.

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.
- c) The balance sheet and the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) Reporting on the adequacy with respect to the internal financial controls over financial reporting of the company and the operating effectiveness of such controls are not applicable to the company.
- g) In our opinion, Section 197 of the Companies Act, 2013 is not applicable to Private Limited Company.
- 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 does not have any pending litigations.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.

(a) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(is),

including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

(c) Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub clause (a) and (b) above, contain any material misstatement.

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

M Madhusudhana Reddy  
Partner  
Membership No. 213077

Place: Hyderabad  
Date: 07.09.2022

## **Annexure 'A' to the Independent Auditor's Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SANGAM HEALTH CARE PRODUCTS LIMITED of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- s (c) The title deeds of the immovable property are held in the name of the company.
- ii. (a) As explained to us, the inventory has been physically verified by the management during the year at reasonable intervals;
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records
- iii. The Company has granted loans to two body corporates covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - a. In our opinion, the rate interest and other conditions on which the loans have been granted to body corporate listed in register maintained under section 189 of the act were not, prima facie, prejudicial to the interest of the company.
  - b. In the case of the loan granted to body corporate covered in the register maintained under section 189 of the Companies Act, 2013, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c. There are no overdue amounts in respect of the loan granted to body corporate 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 Companies Act, 2013, 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, 2022 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 Service Tax or Income Tax or Sales Tax or duty of customs or duty of excise or value added tax or Goods and service Tax or cess as at 31st March, 2022 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 have outstanding dues to financial institutions, banks or debenture holders as at the balance sheet date.
- ix. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been ultimately utilized for the purpose for which they were taken. Further, the company has not raised any funds by way of initial / further public offer.
- 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. According to the information and explanations given to us, the company has paid managerial remuneration in accordance with 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, 2020 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 Standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination the company does not have an internal audit system and commensurate with the size and nature of the business.
- 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, 2020 is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no instance of any resignation of the statutory auditors occurred during the year.
- xix. According to the information and explanations given to us and based on our examination of the records of the Company, the company is able to pay off the existing liabilities for next one year and material uncertainty doesn't exist as on date of audit report.
- xx. CSR is not applicable to this company.
- xxi. There are no adverse remarks in the audit reports issued by the respective auditors in case of companies included in the consolidated Standalone financial statements.

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

Place: Hyderabad  
Date: 07.09.2022

M Madhusudhana Reddy  
Partner  
Membership No. 213077

## **Annexure “B” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SANGAM HEALTH CARE PRODUCTS LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of SANGAM HEALTH CARE PRODUCTS LIMITED (“the Company”) as of March 31, 2022, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 Reg No. 010371S

M Madhusudhana  
Reddy  
Partner  
Membership No. 213077

Place: Hyderabad  
Date: 07.09.2022

**SANGAM HEALTH CARE PRODUCTS LIMITED**  
**CIN NO- L24230TG1993PLC016731**  
**Statement of Financial Position as at March 31, 2022**

(Amt in Rs.Lakhs)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, plant and equipment	3	380.51	502.23
	(b) Right to use assets		-	-
	(c) Capital work in progress		-	-
	(d) Investment properties		-	-
	(e) Good will		-	-
	(f) Other intangible Assets		-	-
	(g) Intangible Assets under Development		-	-
	(h) Biological Assets other than Bearer Plants		-	-
	(d) Financial assets		-	-
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Loans		-	-
	(vi) other Financial assets		-	-
	(e) Deferred Tax Asset (Net)		-	-
	(f) Other non-current asset	4	33.59	52.35
	<b>Total non-current assets (A)</b>		<b>414.10</b>	<b>554.58</b>
2	<b>Current assets</b>			
	(a) Inventories	5	194.24	105.79
	(a) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables	6	61.10	68.84
	(iii) Cash and cash equivalents	7	1.21	3.44
	(iv) Bank Balances other than (iii) above		-	-
	(iv) other financial assets		-	-
	(b) Current Tax Asset (Net)	8	-	0.79
	(c) Other current assets		238.92	208.48
	<b>Total current assets (B)</b>		<b>495.47</b>	<b>387.34</b>
	Non Current Assets Classified as Held for Sale( C)		-	-
	<b>Total assets (A+B+C)</b>		<b>909.58</b>	<b>941.92</b>
II	<b>EQUITY AND LIABILITIES</b>			
1	<b>Equity</b>			
	(a) Equity share capital	9	1,486.07	1,486.07
	(b) Other equity	10	(3,462.55)	(3,374.30)
	<b>Total equity (A)</b>		<b>(1,976.48)</b>	<b>(1,888.23)</b>
2	<b>Liabilities</b>			
(i)	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	11	29.78	38.89
	(ii) Trade Payables		-	-
	(iii) Other Financial Liabilities		-	-
	(b) Long term provisions		-	-
	(c) Deferred tax Liabilities(Net)	8	22.11	106.48
	(d) Other non Current Liabilities		-	-
	<b>Total non-current liabilities (B)</b>		<b>51.88</b>	<b>145.36</b>
(ii)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	12	2,310.19	1,782.53
	(ii) Trade payables	13	279.24	441.16
	(iii) Other financial liabilities		-	-
	(b) Short term provisions		-	-
	(c) Other current liabilities	14	244.73	461.10
	(d) Current Tax Liabilities (net)		-	-
	<b>Total current liabilities (C)</b>		<b>2,834.17</b>	<b>2,684.79</b>
	<b>Total liabilities (D+B+C)</b>		<b>2,886.05</b>	<b>2,830.15</b>
	<b>Total equity and liabilities (A+D)</b>		<b>909.58</b>	<b>941.92</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

Sd/

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

Place: Hyderabad  
Date : 07.09.2022

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

A. Balagopal  
Managing Director  
DIN:01712903

Sd/

Sd/

Padma Ghanakota  
Director  
DIN:07078176

Sd/

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

<b>SANGAM HEALTH CARE PRODUCTS LIMITED</b> <b>CIN NO- L24230TG1993PLC016731</b> <b>Statement of Profit and Loss and Other Comprehensive Income for the Period ended March 31, 2022.</b> <b>(Amt in Rs.Lakhs)</b>			
	<b>Note No.</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>Continuing Operations</b>			
I Revenue from operations	15	870.43	953.71
II Other income	16	-	1.78
Net gain on de-recognition of financial assets at amortised cost		-	-
III		-	-
IV Net gain on reclassification of financial assets		-	-
V		<b>870.43</b>	<b>955.48</b>
<b>Expenses</b>			
VI (a) Cost of material Consumed	17	592.86	391.19
(b) Purchase of Stock in Trade		-	-
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	18	(61.34)	174.05
(d) Employee benefits	19	201.65	291.61
(e) Finance cost	20	11.17	7.42
(f) Depreciation expense	3	121.72	121.72
(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	21	177.00	228.56
<b>Total expenses (VI)</b>		<b>1,043.05</b>	<b>1,214.55</b>
<b>Profit/(loss) before Share of profit/(loss) of associates / joint ventures, exceptional items and tax (V - VI)</b>		<b>(172.61)</b>	<b>(259.06)</b>
VII Share of profit/(loss) of associates			
Share of profit/(loss) of joint ventures			
IX <b>Profit/(Loss) before exceptional items and tax</b>		<b>(172.61)</b>	<b>(259.06)</b>
X <b>Exceptional itmes</b>			
XI <b>Profit before Tax</b>		<b>(172.61)</b>	<b>(259.06)</b>
XII <b>Tax expense :</b>			
a. Current tax		-	-
b. Deferred tax		(17.87)	37.31
XIII <b>Profit/(loss) for the year from continuing operations (XI-XII)</b>		<b>(154.74)</b>	<b>(296.37)</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>-</b>	<b>-</b>
XVII <b>Profit/(loss) for the year (XIII+XVI)</b>		<b>(154.74)</b>	<b>(296.37)</b>
XIX <b>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>-</b>	<b>-</b>
IX. <b>Total comprehensive income for the year (V+ VI)</b>		<b>(154.74)</b>	<b>(296.37)</b>
X. <b>Earning per equity share (for Continuing Operations)</b>			
(i) Basic		(1.04)	(1.99)
(ii) Diluted.		(1.04)	(1.99)
XI. <b>Earnings per equity share (for discontinued operation):</b>			
(i) Basic		(0.01)	(0.01)
(ii) Diluted.		(0.01)	(0.01)
XII. <b>Earnings per equity share (for Continued and discontinued operation):</b>			
(i) Basic		(1.05)	(2.01)
(ii) Diluted.		(1.05)	(2.01)
The notes are an integral part of the financial statements 1-2			
As per our Report of even date For <b>M M REDDY &amp; CO.,</b> Chartered Accountants Firm Reg No:010371S			
Sd/	A.Balagopal Managing Director DIN:01712903	Sd/	Sd/
CA. M. Madhusudhana Reddy Partner Membership No: 213077	Padma Ghanakota Director DIN:07078176	Sd/	Sd/
Place: Hyderabad Date : 07.09.2022		V.Satish Kumar C.F.O PAN: ACLPV7670E	

**SANGAM HEALTH CARE PRODUCTS LIMITED**  
**CIN:L24230TG1993PLC016731**  
**Cash Flow Statement for the year ended 31st March, 2022**

(Amt in Rs.Lakhs)

Particulars	31.03.2022	31.03.2021
	(₹)	(₹)
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax and extraordinary items	(172.61)	(259.06)
<b>Adjustment for:</b>		
Income tax expense recognised in profit or loss	-	-
Finance costs recognised in profit or loss	11.17	7.42
Investment income recognised in profit or loss	-	(1.78)
Gain on disposal of property, plant and equipment	-	-
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	121.72	121.72
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>(39.73)</b>	<b>(131.70)</b>
<b>Movement for Working Capital:</b>		
(Increase)/decrease trade receivables	7.75	(18.74)
(Increase)/decrease in inventories	(88.45)	265.47
(Increase)/decrease in other assets	(11.68)	(11.19)
(Increase)/decrease in Deferred Tax	0.79	-
Increase/(decrease) in other payables	(161.92)	(150.92)
Increase/(decrease) in provisions	-	-
(Decrease)/increase in deferred revenue	-	-
(Decrease)/increase in other liabilities	(216.36)	60.88
<b>Cash generated from operations</b>	<b>(509.60)</b>	<b>13.80</b>
- Income taxes paid	-	-
<b>Net Cash flow before extraordinary items</b>	<b>(509.60)</b>	<b>13.80</b>
-Extraordinary & Prior period items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(509.60)</b>	<b>13.80</b>



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

<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Payments to acquire financial assets	-	-
Proceeds on sale of financial assets	-	-
Interest received	-	1.78
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	-	-
Proceeds from disposal of property, plant and equipment	-	-
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>-</b>	<b>1.78</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</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	518.55	62.52
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	(11.17)	(7.42)
Long Term Provisions	-	(67.98)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>507.38</b>	<b>(12.89)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>	<b>(2.22)</b>	<b>1.68</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3.44</b>	<b>0.75</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</b>	<b>1.21</b>	<b>2.44</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow Statement</b>		
Cash and cash equivalents (Note no.7.3)	1.21	3.44
<b>Balance as per statement of cash flows</b>	<b>1.21</b>	<b>3.44</b>
As per our Report of even date <b>For M M REDDY &amp; CO.,</b> Chartered Accountants Firm Reg No:010371S  Sd/	<b>For and on behalf of the Board of Directors</b> <b>SANGAM HEALTH CARE PRODUCTS LIMITED</b>  A. Balagopal Managing Director DIN:01712903  Sd/	          Sd/ V.Satish Kumar C.F.O PAN: ACLPV7670E
<b>CA. M. Madhusudhana Reddy</b> Partner Membership No: 213077 Place: Hyderabad Date : 07.09.2022	Padma Ghanakota Director DIN:07078176	

**SANGAM HEALTH CARE PRODUCTS LIMITED**

Depreciation schedule as per companies Act,2013 for the year 2021-22

(Amt in Rs.Lakhs)

Particular	Plant & Machinery	Lab Equipments	Computers	Office Equipment	Furniture & Fixtures	Vehicles	Total
<b>Cost/Deemed Cost:</b>							
<b>at 1st April 2020</b>	2,723.63	80.86	18.95	14.41	25.86	87.39	2,951.11
Additions	-	-	-	-	-	-	-
Deletions							-
<b>As at March 2021</b>	<b>2,723.63</b>	<b>80.86</b>	<b>18.95</b>	<b>14.41</b>	<b>25.86</b>	<b>87.39</b>	<b>2,951.11</b>
Additions	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-
<b>As at March 2022</b>	<b>2,723.63</b>	<b>80.86</b>	<b>18.95</b>	<b>14.41</b>	<b>25.86</b>	<b>87.39</b>	<b>2,951.11</b>
<b>Depreciation/Impairment</b>							-
<b>at 1st April 2020</b>	2,155.29	77.23	18.69	14.34	25.68	35.93	2,327.17
Depreciation for the year	116.82	0.24	0.04	-	-	4.61	121.72
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
<b>As at March 2021</b>	<b>2,272.12</b>	<b>77.48</b>	<b>18.73</b>	<b>14.34</b>	<b>25.68</b>	<b>40.54</b>	<b>2,448.88</b>
Depreciation for the year	116.82	0.24	0.04	-	-	4.61	121.72
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
<b>As at March 2022</b>	<b>2,388.94</b>	<b>77.72</b>	<b>18.77</b>	<b>14.34</b>	<b>25.68</b>	<b>45.15</b>	<b>121.72</b>
<b>Net Book Value</b>							
As at March 2022	334.68	3.14	0.18	0.07	0.18	42.25	380.51
As at March 2021	451.51	3.39	0.22	0.07	0.18	46.86	502.23

**SANGAM HEALTH CARE PRODUCTS LIMITED**

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

<b>Note.4 Other Assets Non Current Assets</b>		
	<b>(Amt in Rs.Lakhs)</b>	
<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>(A) Other Non-Current Assets</b>		
<b>Capital Advances :</b>	-	#
Advances other than capital advances	-	18.76
<b>Security Deposits:</b>	-	#
Government Authorities - Electricity Dept	33.59	33.59
<b>Total of Other Non-current Assets</b>	<b>33.59</b>	<b>52.35</b>
<b>(B) Other Current Assets</b>		
<b>Capital Advances:</b>	-	-
Advances to Plant and Machinery	143.49	143.49
<b>Advances other than capital advances:</b>	-	#
MAT Credit Entitlement	63.39	63.39
Other Advances	27.92	#
<b>Other Advances:</b>	-	#
GST Input	1.76	-
TDS receivable	0.58	-
Interest Receivable	1.78	1.60
<b>Total of Other current Assets</b>	<b>238.92</b>	<b>208.48</b>

<b>Note 5 Inventories</b>		
<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
Raw Material	44.22	18.53
Packing Material	31.32	29.90
Work In Process	43.95	42.03
Finished Goods	66.05	13.72
Consumables & Stores and Spares	8.71	1.61
Property under Development	-	-
<b>Total Inventories</b>	<b>194.24</b>	<b>105.79</b>

<b>Note 6 Trade Receivables</b>		
<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>Unsecured considered good</b>		
- From Others	61.10	68.84
<b>Total Trade Receivables</b>	<b>61.10</b>	<b>68.84</b>

<b>Note 7 Cash and Cash Equivalents</b>		
<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
Cash and Cash Equivalents	1.21	3.44
Bank Balances other than Cash and Cash	-	-
<b>Total Cash and Cash Equivalents</b>	<b>1.21</b>	<b>3.44</b>

<b>Cash and Cash Equivalents</b>		
<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>Bank and Cash Balances</b>		
<b>On Current Accounts:</b>		
Kotak Bank-KNR-6912456133	0.01	0.01
Karur Vysya Bank Ltd A/C.No.140413500006078	0.11	-
Kotak Bank-356	-	0.08
Kotak Bank-295	0.34	(0.00)
SBI-CURRENT A/C.62263238738(Commerical Branch)	-	-
HDFC BANK	0.61	-
Andhra Bank	-	-
Syndicate Bank	0.15	0.03
Fixed Deposits with maturity less than 3 months	-	-
Cheques/drafts on hand	-	-
Cash on hand	0.00	3.32
<b>Total Cash and Cash Equivalents</b>	<b>1.21</b>	<b>3.44</b>

<b>Note 8 Income Taxes</b>		
<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>a) Current Tax Asset</b>		
<b>Opening Balance</b>	-	0.58
Add: Taxes paid/TDS Receivable	-	0.20
Less: Current tax payable for the year	-	-
	-	0.79
<b>b) Differed tax Liability</b>		
on Written down value of fixed assets	(106.48)	69.17
Add/Less : Provided for the Current Year	-	37.31
<b>Total</b>	<b>(106.48)</b>	<b>(106.48)</b>

	<b>As at 31st March, 2022</b>		<b>As at 31st March, 2021</b>	
	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
From banks	29.78	-	38.89	-
Interest-free sales Tax deferral loan from state Govt.	-	74.53	-	139.53
<b>Unsecured Loans</b>				
From Individuals other than banks	-	2,235.66	-	1,643.00
<b>Total Borrowings</b>	<b>29.78</b>	<b>2,310.19</b>	<b>38.89</b>	<b>1,782.53</b>

<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>Terms of Repayment</b>	<b>Security</b>
<b>Long Term</b>			
Bonds	-	-	-
Debentures	-	-	-
<b>Rupee term loans from Banks:</b>	29.78	-	-
Interest-free sales Tax deferral loan from state Govt.	-	-	-
<b>Short Term</b>			
Interest-free sales Tax deferral loan from state Govt.	-	-	-

<b>Notes 12 Note Short Term Borrowings</b>		
	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>Term loans</b>		
Interest-free sales Tax deferral loan from state government	74.53	139.53
Unsecured Loans	2,235.66	1,643.00
<b>Total</b>	<b>2,310.19</b>	<b>1,782.53</b>

**SANGAM HEALTH CARE PRODUCTS LIMITED**

Note : Based on the nature of liability the outstanding liabilities are re-classified as current liabilities because they are payable on demand. Term loans from ..... Bank secured by .....

**SANGAM HEALTH CARE PRODUCTS LIMITED**

**Note 13 Trade payables**

	As at 31st March, 2022		As at 31st March, 2021	
	Non Current	Current	Non Current	Current
<b>Trade payables</b>				
Dues to other than Micro, Small and Medium Enterprises	-	279.24	-	441.16
<b>Sub total</b>	-	<b>279.24</b>		<b>441.16</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 14 Other Current Liabilities**

	As at 31st March, 2022	As at 31st March, 2021
<b>a).Revenue Received in Advance</b>		
Advances From customers	121.94	208.14
<b>b).Other Payables</b>	-	-
<b>Statutory Dues Payable</b>	-	-
Provident fund payable	3.15	29.70
ESI contribution payable	0.46	0.26
Interest Payable on statutory dues	42.69	42.69
TDS payable	23.47	17.42
Salaries and Wages & settlements payable	16.89	131.00
Directors Remuneration Payable	8.40	8.40
Bonus payable	3.31	3.31
Electricity Charges Payable	7.81	2.67
Other Expenses Payable	6.43	6.68
Deposits	1.30	1.30
Other Advance payable	6.89	5.70
Audit fee payable	2.00	2.95
GST payable	-	0.88
<b>Total</b>	<b>244.73</b>	<b>461.10</b>

**SANGAM HEALTH CARE PRODUCTS LIMITED**

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

**Note 9: Equity share capital**

**a. Equity share capital**

(Amt in Rs.Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>Authorised</b>				
Equity shares of Rs. 10 each	1,500.00	15,000.00	1,500.00	15,000.00
<b>Issued</b>				
Equity shares of Rs. 10 each	148.61	1,486.07	148.61	1,486.07
<b>Subscribed and Paid-up</b>				
Equity shares of Rs. 10 each fully paid-up	148.61	1,486.07	148.61	1,486.07
<b>Total</b>	<b>148.61</b>	<b>1,486.07</b>	<b>148.61</b>	<b>1,486.07</b>

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

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
<b>Issued and Subscribed:</b>				
Shares outstanding at the beginning of the year	148.61	1,486.07	148.61	1,486.07
Add: Issued During the year for cash	-	-	-	-
Add: Shares issued at ESOP trust	-	-	-	-
Shares outstanding at the end of the year	<b>148.61</b>	<b>1,486.07</b>	<b>148.61</b>	<b>1,486.07</b>

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

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

**d. Shares reserved for issue underwriter options**

Nil

**e. Detail of Rights Issues**

Nil

**f. details of shares held by Holding/Ultimatley Holding Company**

Nil

**g. Details of shares issued for consideration other than cash**

Nil

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

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M/s. Boin Medica Co Ltd	12,40,260	8.35%	12,40,260	8.35%
Addepalli Balagopal	30,01,000	20.19%	30,01,000	20.19%
D.V.S.Sharma	25,00,000	16.82%	25,00,000	16.82%
G.Ramana	22,55,140	15.18%	22,55,140	15.18%
G.Padma	20,00,000	13.46%	20,00,000	13.46%

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

**i. Dividend Declaration Details**

Amount in Rs.

Particulars	As at March 31, 2022	As at Mar 31, 2021
	Cash Dividend Declared for the Year 31st March 2022	-
Interim Dividend for the year ended on 31st March 2022		
<b>Total</b>	-	-
Proposed Dividend on Equity Shares	-	-
Final Dividend for the year ended 31st March 2022		
<b>Total</b>	-	-

**Note 10.1 Other equity**

	As at March 31, 2021	As at March 31, 2021
<b>Capital Reserve:</b>		
Balance at the beginning of the year	770.01	770.01
Add: Addition During the Year	-	-
<b>Balance at the end of the year</b>	<b>770.01</b>	<b>770.01</b>
<b>Securities Premium:</b>		
Balance at the beginning of the year	-	-
Add: Securities Premium on shares issued during the year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	(4,077.81)	(3,847.94)
Add: Addition During the Year	(154.74)	(229.87)
<b>Balance at the end of the year</b>	<b>(4,232.56)</b>	<b>(4,077.81)</b>
<b>Total other Equity</b>	<b>(3,462.55)</b>	<b>(3,307.80)</b>

**Note 10.2 Other Reserves**

	As at March 31, 2021	As at March 31, 2021
<b>Debentures Redemption Reserves:</b>		
Balance at the beginning of the year	-	-
Add: Addition during the Year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Capital Redemption Reserves:</b>		
Balance at the beginning of the year	-	-
Add: Addition during the Year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Investment Fluctuation Reserves:</b>		
Balance at the beginning of the year	-	-
Add: Addition during the Year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Total Other Reserves</b>	<b>-</b>	<b>-</b>

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

**Note 15: Revenue from operations**

(Amt in Rs.Lakhs)

Particulars	For the Year ended Mar 2022	For the year ended March 2021
<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	870.43	953.71
b).Stock in Trade	-	-
<b>Net Revenue</b>	<b>870.43</b>	<b>953.71</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>870.43</b>	<b>953.71</b>

Particulars	For the Year ended Mar 2022	For the year ended March 2021
<b>B Disaggregated revenue information</b>		
<b>Revenue from contracts with customers disaggregated based on geography</b>		
a). Domestic	870.43	1,064.45
b).Export	-	-
	<b>870.43</b>	<b>1,064.45</b>
<b>C)Reconciliation of Gross Revenue from Contracts With Customers</b>		
Gross Revenue	<b>870.43</b>	<b>1,064.45</b>
Less: Discount	-	-
Less: Returns	-	-
Less: Price Concession	-	-
Less: Incentives and performance bonus	-	-
Less: Goods and Service Tax	-	110.74
Net Revenue recognised from Contracts with Customers	<b>870.43</b>	<b>953.71</b>



**Note 16: Other Income**

Particulars	For the Year ended Mar 2022	For the year ended March 2021
<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	-	1.78
<b>Sub total (i)</b>	-	<b>1.78</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>	-	-
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>1.78</b>

**Note 17 Cost of Material Consumed**

Particulars	For the Year ended Mar 2022	For the year ended March 2021
<b>A. Raw Material Consumed</b>		
Raw materials at the beginning of the year	48.43	139.76
Add: Purchases During the year	619.97	299.86
Less: Raw materials at the end of the year	75.54	48.43
<b>Total cost of raw material consumed</b>	<b>592.86</b>	<b>391.19</b>
<b>B). Packing Material</b>		
Packing materials at the beginning of the year	-	-
Add : Purchases During the year	-	-
Less: Packing materials at the end of the year	-	-
<b>Total cost of packing materials consumed (B)</b>	-	-
<b>Total cost of Materials consumed (B)</b>	<b>592.86</b>	<b>391.19</b>

**Note 18 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the Year ended Mar 2022	For the year ended March 2021
Opening Balnce		
Finished Goods	13.72	136.66
Work in Progress	42.03	92.04
Stock in Trade (Including Goods in Transit)	-	(0.09)
Spares and Consumables	1.61	2.80
<b>Total Opening Balnces</b>	<b>57.36</b>	<b>231.41</b>
<b>Closing Balance</b>		
Finished Goods	66.05	13.72
Work in Progress	43.95	42.03
Stock in Trade (Including Goods in Transit)	-	-
Spares and Consumables	8.71	1.61
<b>Total Closing Balance</b>	<b>118.71</b>	<b>57.36</b>
<b>Total Changes in inventories of finished goods, work-inprogress and stock-in-trade</b>	<b>(61.34)</b>	<b>174.05</b>

**Note 19 Employee Befebits**

Particulars	For the Year ended Mar 2022	For the year ended March 2021
Salaries, Wages, Bonus etc.	200.49	286.71
Contribution to P.F, E.S.I and Other Statutory Funds	-	3.87
Employee share based payment expenses	-	-
Gratuity	-	-
Leave compensation	-	-
Post-employment pension benefits	-	-
Post-employment medical benefits	-	-
Staff welfare expenses	1.16	1.02
<b>Total Employee befebts</b>	<b>201.65</b>	<b>291.61</b>

**Note 20 Finance Cost**

Particulars	For the Year ended Mar 2022	For the year ended March 2021
<b>Interest and finance charges on financial liabilities carried at amortised cost</b>		
a). Interest on Bank Borrowings	10.83	6.42
b). Interest on Bill Discounting	-	-
c). Other Interest Expenses (Bank Charges)	0.34	1.00
Less: Amount Capitalised	-	-
<b>Total Interest on financial liabilities carried at amortised cost</b>	<b>11.17</b>	<b>7.42</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>11.17</b>	<b>7.42</b>

**Note 21 : Other expenses**

Particulars	For the Year ended Mar 2022	For the year ended March 2021
Audit Fees	2.00	2.00
Consumptions of Store and Spares	-	0.97
Power and Fuel	63.07	56.81
Factory Maintenance	7.56	6.95
Insurance	-	-
Rates and Taxes	4.59	0.19
Security Charges	4.76	3.90
Travelling & Conveyance Expenses	3.63	4.22
Printing & Stationery	0.73	0.23
Factory rent	54.66	72.20
Telephone Expense	1.37	1.02
Vehicle Maintenance	0.46	0.70
Other General Expenses	1.96	1.97
Marketing Expenses	(0.48)	27.85
Carriage Outwards	27.68	46.34
Consultancy and Legal Charges	1.90	2.16
Office Maintenance	3.11	0.98

Stock Written off	-	0.09
<b>Total</b>	<b>177.00</b>	<b>228.56</b>

**18.6.1 Payment to Auditors**

<b>Particulars</b>	<b>For the Year ended Mar 2022</b>	<b>For the year ended March 2021</b>
As An Auditor		
- Audit Fees	2.00	2.00
- Tax Audit	-	-
- Limited Review	-	-
In Other Capacity		
- Taxation Matters	-	-
- Company Law matters	-	-
- Certification matters	-	-
- Reimbursement of Expenses	-	-
<b>Total Payment to Auditor</b>	<b>2.00</b>	<b>2.00</b>

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

<b>Particulars</b>	<b>For the Year ended Mar 2022</b>	<b>For the year ended March 2021</b>
Amount required to be spent as per Section 135 of the Companies Act, 2013	-	-
Amount spent during the year on	-	-
	-	-

**SANGAM HEALTH CARE PRODUCTS LIMITED**

Analytical Ratios for the year ended 31st March,2022.

(Amt in Rs.Lakhs)

Ratios	Formula	2021-22	2020-21	
<b>Operating profit margin</b>	<b>EBIT/Sales*100</b>	<b>PBT</b>	(172.61)	(259.06)
		<b>ADD: interest</b>	11.17	7.42
		<b>SUB: other Incom</b>	-	1.78
		<b>EBIT</b>	(161.45)	(249.86)
		<b>Sales</b>	870.43	953.71
		<b>Ratio</b>	<b>(18.55)</b>	<b>(26.20)</b>
<b>Net profit margin</b>	<b>PAT/Sales</b>	<b>PAT</b>	(154.74)	(296.37)
		<b>Sales</b>	870.43	953.71
		<b>Ratio</b>	<b>(17.78)</b>	<b>(31.08)</b>
<b>Return on equity</b>	<b>PAT/Networth</b>	<b>PAT</b>	(154.74)	(296.37)
		<b>networth</b>	(1,976.48)	(1,888.23)
		<b>Ratio</b>	<b>7.83</b>	<b>15.70</b>
<b>current Ratio</b>	<b>current assests/current Liab</b>	<b>Current assests</b>	495.47	387.34
		<b>current Liabilites</b>	2,834.17	2,684.79
		<b>Ratio</b>	<b>0.17</b>	<b>0.14</b>
<b>Interest Coverage ratio</b>	<b>EBIT/Interest</b>	<b>EBIT</b>	(172.61)	(259.06)
		<b>Interest</b>	11.17	7.42
		<b>Ratio</b>	<b>(6.47)</b>	<b>(2.87)</b>
<b>Debtor Turnover Ratio</b>	<b>Sales/Average Debtors</b>	<b>Sales</b>	870.43	953.71
		<b>Opening Debtors</b>	68.84	50,10,222.00
		<b>Closing debtors</b>	61.10	68.84
		<b>Average debtors</b>	64.97	25,05,145.42
		<b>Ratio</b>	<b>13.40</b>	<b>0.00</b>
<b>Stock Turnover Ratio</b>	<b>Sal/Average Stock</b>	<b>COGS</b>	733.16	856.85
		<b>Opening Stock</b>	105.79	3,71,26,470.00
		<b>Closing Stock</b>	194.24	105.79
		<b>Average Stock</b>	150.02	1,85,63,287.90
		<b>Ratio</b>	<b>4.89</b>	<b>0.00</b>
<b>Debt Equity Ratio</b>	<b>Total Liabilities/Shareholder: Non current Liabilities</b>		51.88495424	
		<b>Current Liabilities</b>	2834.166317	
		<b>Shareholders ratio</b>	(1976.48)	
		<b>Ratio</b>	(1.43)	

## **Corporate Information:**

Sangam Health Care Products Limited (“the Company”) is a listed entity incorporated in India in the year 1993. The Registered office of the company is located at 205, 206, Amarchand Sharma Complex, S.P Road, Secunderabad, Hyderabad, Telangana–500002, India. The Company is engaged manufacturing and trading of medical products. The Shares of the company is listed in Bombay Stock Exchange.

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

#### **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 which 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, 2022, the Statement of Profit and Loss for the year ended 31 March 2022, the Statement of Cash Flows for the year ended 31 March 2022 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 - 07.09.2022.

#### **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 except the assets and liabilities which have been measured at Fair Values.

- 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:

- Expected to be realised, or is intended to be sold or consumed, the Company's normal operating cycle.
- held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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 liabilities.

**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:

S.no	Name of the estimate	Note No	Remarks
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	Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised over their respective useful life on straight line basis, from the date they are available for use.
5	Defined benefit obligation	Note No.1.15	Long term provision for gratuity
7	Measurement of contingent liabilities and contingent purchase consideration in a business combination	Note No.1.19	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.1.32	As per the Ind AS.12
9	Deferred tax assets for carried forward tax losses	Note No.1.32	As per the Ind AS.12
10	Impairment of financial assets	Note No.1.3	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 2021.

**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.

**e. Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

In assessing the recoverability of assets including trade receivables, unbilled receivables and investments, the Company has considered internal and external information up to the date of approval of these standalone financial statements including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic COVID-19 may be different from those estimated as on the date of approval of these standalone financial statements.

**2. 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.

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

This standard specifies accounting for assets held for sale, and the presentation and disclosure for discontinued operations:

- (a) Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less cost to sell, and depreciation on such assets to cease; and
- (b) Assets that meet the criteria to be classified as held for sale to be presented separately in the balance sheet and the results of

discontinued operations to be presented separately in the statement of profit and loss.

S.no	Particulars of Disclosures	As at 31 <sup>st</sup> March 2022 (Rs.)	As at 31 <sup>st</sup> March 2021(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	-	-

## **2.2 Ind AS 106: Exploration for Evolution of Mineral resources:**

This standard specifies the financial reporting for the exploration for evaluation of mineral resources. In particular this standard requires:

- a. Limited improvements to existing accounting practices for exploration and evaluation of expenditures
- b. Entities that recognize exploration and evaluation of assets to assess such assets for impairment in accordance with this standard and measure any impairment.

Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for the evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation of assets recognised.

This Ind AS 106 not applicable, the company is in the business of engaged manufacturing and trading of medical products. Hence this Ind AS does not have any financial impact on the financial statements of the company.

## **2.3 Ind AS-16: Property, Plant and Equipment:**

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.

Property, plant and equipment which are significant to the total cost of that item of Property Plant and Equipment and having different useful life are accounted for as separately.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and carrying amount of the asset is recognized in the statement of profit or loss when the asset is derecognised.

Depreciation on Property Plant and Equipment is provided on Straight line method. Depreciation is provided based on useful life as prescribed under part C of the schedule II of the Companies act, 2013.

S.no	Asset	Use full life in Years
1	Plant and Machinery	3-60
2	Electrical Installations	2-40
3	Lab Equipment	3-60
4	Computers	3-10
5	Office Equipment	2-20
6	Furniture & Fixtures	3-15
7	Vehicles	5-20

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

### **Impairment**

Property Plant and Equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their 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).

## **2.4 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.

## **2.5 Intangible assets (Ind AS 38):**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their estimated useful life on straight line basis.

Subsequent costs are included in assets carrying amount or recognized or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

The residual Values, useful lives and methods of depreciation of Property Plant and Equipment are reviewed at each Financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of Intangible asset are measured as the difference between the net disposal proceeds and

carrying amount of the asset is recognized in the statement of profit or loss when the asset is derecognised.

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 of the company.

## 2.6 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:

(Amt in Rs. Lakhs)

Particulars	01-Apr-21	Cash Flow		31-Mar-22
		Receipts	Payments	
Current Borrowings	1,782.53	527.66	-	2,310.19
Non-current Borrowings	38.89	-	9.11	29.78
<b>Total</b>	<b>1,821.42</b>	<b>527.66</b>	<b>9.11</b>	<b>2,339.97</b>

## 2.7 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.

## 2.8 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.

## **2.9 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.

## **2.10 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.

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in statement of profit and loss.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of related securities are included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future costs, are recognised as borrowing costs.

All other borrowing costs are recognised as expenses in the period in which it is incurred.

### **2.12 Revenue Recognition (Ind AS 18) :**

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.

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

#### **Government grants:**

Government grants are not recognised 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 recognised 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 recognised 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 recognised 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 recognised 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.

## 2.14 Inventories (Ind AS 2):

Inventories are assets:

- a. Held for sale in the ordinary course of business;
- b. In the process of production for such sale;
- c. In the form of materials or supplies to be consumed in the production process or in the rendering of services

Net Realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Inventories at the year end are valued as under:

Raw Materials, Packing Material, Consumables and Spares	At Cost.
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.
- Based on the information provided the difference between physical verification and valuation of the of inventories are charged to the profit



and loss account.

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

A Trade receivable represents the company's right to an amount of consideration that is unconditional.

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

### **2.16 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.

### **2.17 Ind AS 17- Leases**

A Lease is classified as a Finance Lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an

operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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.

### **2.18 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.

### **2.19 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.

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

Provisions are recognised in the balance sheet when the company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet. Where the time value of money is material, provisions are made on a discounted basis.

Disclosure for Contingent liabilities is made when there is a possible obligation or present obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either not probable that an outflow of resources embodying in economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Disclosure for Contingent assets are made when there is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. However Contingent assets are neither recognized nor disclosed in the financial statements.

## **2.21 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.

## **2.22 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.

#### **B. Subsequent Measurement**

##### **a) Financial assets measured 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 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.

**c) Financial assets measured at fair value through profit or loss (FVTPL)**

A Financial asset which is not classified in any of above categories are measured at FVTPL e.g. investments in mutual funds. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 –Financial Instruments.

**II. Financial Liabilities**

**A. Initial recognition**

All financial liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

**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

**2.23 Contingent Liabilities not provided for and commitments:**

**(in Rupees)**

<b>Nature of Contingent Liability</b>	<b>March 31, 2022</b>	<b>March 31, 2021</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	Nil	Nil

Commercial Banks & Financial Institutions		
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

## 2.24 Operating Segments (Ind AS 108)

Operating segment is a component of an entity:

- a. That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
- b. Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decision about resources to be allocated to the segments and assess its performance, and
- c. For which discrete financial information is available.

The Company is engaged in engaged manufacturing and trading of medical products. As there are no separate reportable segments, Segment Reporting as per Ind AS -108, "Operating Segments" is not applicable.

## 2.25 Events After the Reporting Period (Ind AS 10)

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting and the date when the financial statements are approved by the Board of Directors in case of a company, and, by the corresponding approving authority in case of any other entity for issue. Two types of events can be identified:

Those that provide evidence of conditions that existed at the end of reporting period (adjusting events after the reporting period);

Those that are indicative of conditions that arose after the reporting period ( non-adjusting events after the reporting period).

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

As per the information provided and Books of Accounts no such events are identified during the reporting period. Hence Ind AS 10 Events After the Reporting Period is not applicable.

## **2.26 Construction Contracts (Ind AS 11)**

Construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology, and function or their ultimate purpose or use.

The company is engaged engaged manufacturing and trading of medical products, hence Ind AS 11 “Construction Contract” is not applicable.

## **2.27 Income Taxes (Ind AS 12)**

The Tax Expense for the period comprises of current and deferred tax.

- **Current Tax:**

Current Tax Assets and Liabilities are measured at the amount expected to be recovered from or paid to the Income tax authorities, based on tax rates and laws that are enacted at the Balance Sheet date.

- **Deferred Tax:**

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.

<b>Deferred Tax Liability</b>		(Amt in Rs. Lakhs)
<b>Particulars</b>	<b>2021-2022</b>	<b>2020-2021</b>
Opening Balance	106.48	69.17
Adj/Credit during the year	(84.37)	37.31
<b>Closing balance</b>	<b>22.11</b>	<b>106.48</b>

### **New and Amended Standards**

#### **2.28 Amendment to Ind AS 116: COVID -19 Related Rent Concessions:**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is lease modification. A lessee that makes this election accounts for any change in lease payments resulting from COVID-19 related rent concession the same way it would account for the changes under Ind AS 116, if changes were not lease modifications. This Amendment had no impact on the standalone financial statements of the Company.

#### **2.29 Amendment to Ind AS 1 and Ind AS 8: Definition of material:**

The Amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it is reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about specific reporting entity”. The amendments clarify that materiality will depend on the nature of magnitude of information, either individually or in combination with other information, in the context of the financial year statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on standalone financial statements of the company.

#### **2.30 Amendment to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform:**

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurements provide number of reliefs, which apply to all hedging relationships that are directly affected interest rate benchmark reform. A hedging relationship is affected if the reform gives raise to uncertainty about the timing and/or amount of bench mark -based cash flow of hedging items or hedging instrument. These amendments have no impact on the standalone financial statements of the company as it does not have any interest rate hedge relation.

The amendment to Ind AS 107 prescribe the disclosure which entities are required to make for hedging relationship to which the reliefs as per the amendments in Ind AS 109 are apply. This amendment had no impact on the standalone financial statement of the company.



**SANGAM HEALTH CARE PRODUCTS LIMITED**  
**NOTES TO ACCOUNTS**

**22. 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 :**

<b>Sl. No</b>	<b>Name</b>	<b>Relationship</b>
(i)	Subsidiaries	NIL
(ii)	<b>Key Management Personnel</b>	
	Satish Kumar Varre	CFO
	Bala Gopal Reddy	Managing Director
	Padma Ghanakota	Director
	Rajesh Kakker	Director
	Madhavarao Mandlapu	Director

**b) Related Party Transactions**

**Unsecured Loans:**

**(Amt in Rs. Lakhs)**

<b>Particulars</b>	<b>A Balagopal</b>	<b>G Padma</b>
Opening Balance	768.42	37.70
Loan taken	695.54	-
Loan given	-	-
Repaid during the year	-	4.80
<b>Closing Balance</b>	<b>775.37</b>	<b>32.90</b>

**23. 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.

**24. 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.

**25. 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.

**26. 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.

**(Amt in Rs. Lakhs)**

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Profit After Tax (Rs.)- (A)	(154.74)	(296.37)
Weighted Average No. of Shares (Basic)- (B)	148.61	148.61
EPS (Basic) = (A)/(B)	(1.04)	(1.99)

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

**(Amt in Rs. Lakhs)**

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Profit After Tax (Rs.)- (A)	(154.74)	(296.37)
Weighted Average No. of Shares (Diluted) -(B)	148.61	148.61
EPS (Diluted) = (A)/(B)	(1.04)	(1.99)

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

- a) There are no outstanding derivative contracts as at March 31, 2022 and March 31, 2021.
- b) Particulars of Un-hedged foreign currency exposure is: Nil

**28. Loan Funds:**

Secured Loans

**(Amt in Rs. Lakhs)**

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
<b>Term Loans:</b>		
1. The loan of Rs.29,29,496/-was sanctioned vide agreement number 97610405 for Auto Premium Loan. The loan is to be repayable in 600 equal instalments starting from 05.02.2020 with the interest of. 7.95%. The	18.26	23.65

Monthly Instalment Amount is Rs.61,540/-.		
27. The loan of Rs.19,21,800/-was sanctioned vide agreement number CF-17865250 for Purchase of car (Innova). The loan is to be repayable in 60 equal instalments starting from 05.01.2020 with the interest of. 7.95%. The Monthly Instalment Amount is Rs.41,030/-.	11.50	15.25

### 29. 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.

### 30. Net Current Assets:

(Amt in Rs. Lakhs)

S.no	Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>A</b>	<b>Current Assets:</b>		
1	Inventories	194.24	105.79
2	Trade Receivables	61.10	68.84
3	Cash and Cash equivalent	1.21	3.44
4	Current Tax Asset (Net)	-	-
5	Other Current Asset	238.92	208.48
	<b>Total Current Assets</b>	<b>495.47</b>	<b>387.34</b>
<b>B</b>	<b>Current Liabilities:</b>		
1	Borrowings	2,310.19	1,782.53
2	Trade Payables	279.24	441.16
3	Other Current Liabilities	244.73	461.10
4	Current Tax Asset (Net)	22.11	106.48
	<b>Total Current liabilities</b>	<b>2,886.05</b>	<b>2,830.15</b>
C	Current Assets-Current Liabilities	(2,391)	(2,443)

### 31. Revenue from Operations:

(Amt in Rs. Lakhs)

S. no	Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
1	Sale of goods:		
	Sale of Manufactured	870.43	953.71

	Products		
	Stock In trade	-	-
	Total	870.43	953.71
2	Revenue from Sale of Service	-	-
3	Other Operating Revenues	-	-

### 32. Revenue Reconciliation:

(Amt in Rs. Lakhs)

S.no	Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
1	Sale of Products”		
	Domestic	870.43	1,064.45
	Exports	-	-
	Gross Revenue	870.43	1,064.45
	Less: Discount	-	-
	Less: Returns	-	-
	Less: price Concession	-	-
	Less Incentives and Performance bonus	-	-
	Less: Goods and service Tax	-	110.74
	Net Revenues recognized from contracts with customers	870.43	953.71

### 33. Other Income:

(Amt in Rs. Lakhs)

S.no	Particulars	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
1	Discounts Received	-	-
2	Interest Received from FD	-	-
3	Other Income	-	1.78

### 34. 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, 2022.

### 35. Auditors' Remuneration:

(Amt in Rs. Lakhs)

Particulars	March 31, 2022	March 31, 2021
Fees towards*		

Statutory Audit	2.00	2.00
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\*The fees is exclusive of GST

### **36.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 31.03.2022.

<b>SL</b>	<b>Description</b>	<b>March 31, 2022</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.

As per the information provided / submitted by the Company, there are no dues to Micro, Small and Medium Enterprises covered under ('MSMED' Act, 2006).

### **37.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.

### **38. Credit Risk**

Credit risk refers to the risk that the 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.

**39. 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.

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

**41.** Schedules 2 to 40 form part of Balance Sheet and have been authenticated.

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  
**SANGAM HEALTH CARE PRODUCTS  
LIMITED**

M. Madhusudhana Reddy  
Partner  
Membership No. 213077

A. Balagopal  
Managing Director  
DIN: 01712903

Padma Ghanakota  
Director  
DIN: 07078176

Place: Hyderabad  
Date: 07.09.2022