

innovation

safety

quality

Poly Medicure Limited

Annual Report 2013-14



Corporate Information

Board of Directors

Chairman

Devendra Raj Mehta

Non-Executive Independent Directors

Sohan Raj Mohnot

Prakash Chand Surana

Yeshwant Singh Choudhary

Shailendra Raj Mehta

Non-Executive Director

Jugal Kishore Baid

Mukulika Baid (w.e.f. 30th July 2014)

Managing Director

Himanshu Baid

Executive Director

Rishi Baid

Company Secretary

Sonia Singh

Key Executives

Vishal Baid, President (Sales & Marketing)

V. K. Khera, Sr. V P (Operations)

Deepak Gupta, Sr. V P (Opex & HR)

J. K. Oswal, V P (F) and CFO

Hemant Bhalla, A V P (Sales & Marketing)

Bankers

State Bank of India

Citibank N.A.

Auditors

M/s Doogar & Associates

New Delhi

Cost Auditors

M/s Jai Prakash & Co.

Faridabad

Registrar and Transfer Agents

MAS Services Limited,

T-34, 2nd Floor,

Okhla Industrial Area, Phase-II,

New Delhi-110020

Tel:+ 91(011)-26387281/82

Fax No. 011- 26387384

E-mail: mas_serv@yahoo.com

Website: www.masserve.com

Registered Office

First Floor, 12, Sant Nagar, East of Kailash,

New Delhi – 110065 (India)

Tel:+91 11 26481889,93, 99

Fax: 91 11 26481894

Email: investorcare@polymedicre.com

Website: www.polymedicre.com

CIN: L40300DL1995PLC066923

Note:

With effect from 1st August 2014, the Registered Office of the Company has been shifted to:

232B, 3rd Floor, Okhla Industrial Estate, Phase III

New Delhi – 110020 (India)

Tel No.: 91 11 - 26321838, 81, 89, 93

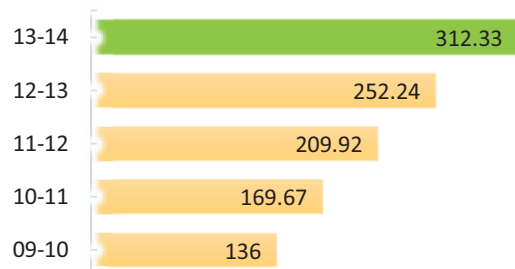
Fax No.: 9111 – 26321839, 94

Inside this Report:

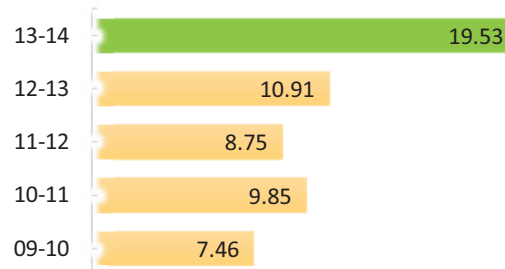
Company Overview	Key Performance Indicator	1
	Awards and Recognitions	2
	Manufacturing Facilities	3
	Product Range	4
	Financial Highlights	5
	Letter to Shareholders	6
Statutory Reports	Notice of Annual General Meeting	8
	Directors' Report	18
	Management Discussion and Analysis	23
	Report on Corporate Governance	38
Financial Statements	Independent Auditors' Report on Financial Statements	52
	Balance Sheet	55
	Statement of Profit and Loss	56
	Cash Flow Statement	57
	Significant Accounting Policies	58
	Notes on Financial Statements	62
	Independent Auditors' Report on Consolidated Financial Statements	82
	Consolidated Balance Sheet	83
	Consolidated Statement of Profit and Loss	84
	Consolidated Cash Flow Statement	85
	Significant Accounting Policies on Consolidated Accounts	86
	Notes on Consolidated Accounts Financial Statements	90
	Statement pursuant to Section 212	111

Key Performance Indicators:

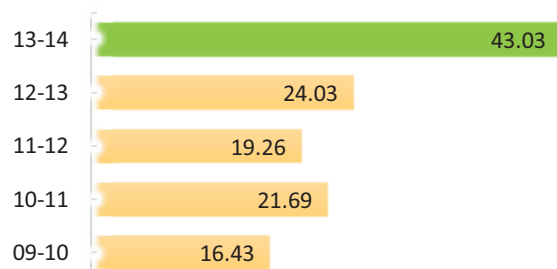
Revenue (₹ Crore)



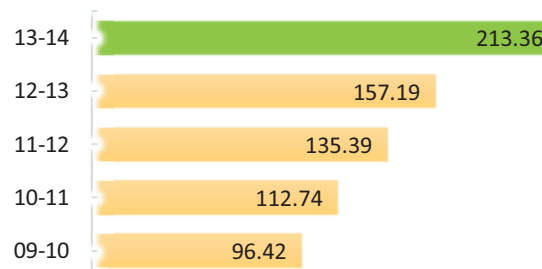
EPS (₹) Adjusted with bonus



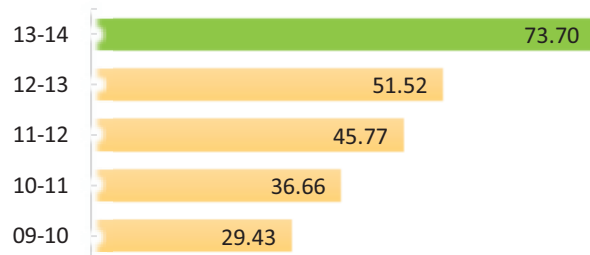
PAT (₹ Crore)



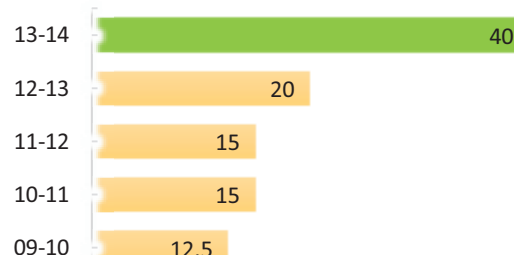
Gross Fixed Assets (₹ Crore)



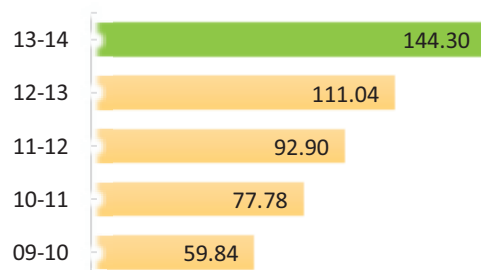
EBITDA (₹ Crore)



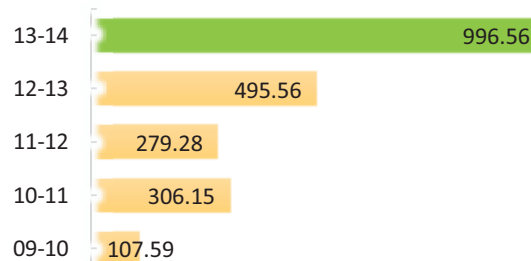
Dividend (in %), Adjusted with bonus



Net Worth (₹ Crore)



Market Capitalisation (₹ Crore)



Awards and Recognitions



Shri J. K. Baid with other recipients of certificate of appreciation by Akshaya Patra, give by former President of USA, Mr. Bill Clinton



Shri J. K. Baid receiving Most Innovative Business award form Business Rankers



Shri Rishi Baid receiving National Award for Technology Innovation in Downstream Plastic Processing Industry from Shri Ananth Kumar, Hon'ble Minister for Chemicals & Fertilizers



Shri V. K. Khara receiving Export Award in the category of Plastic Medical Disposables items for the highest export sales in FY 2011-12 and 2012-13 from the Plastic Export Promotion Council



Certificate of Appreciation received from Mr. Bill Clinton, former President of USA, for contribution to Akshaya Patra, NGO



The Company received Certificate of Appreciation for developing the Patents for Medical Devices, for the Year 2012-13 from Pharmaceutical Export Promotion Council of India

Participation in various exhibitions in India and Abroad



Manufacturing Facilities



Unit I at Faridabad, Haryana



Unit II at Faridabad, Haryana



Unit III at Haridwar, Uttarakhand



Unit IV at SEZ Jaipur, Rajasthan (New Facility)



100% Subsidiary in China

Automatic production Lines



Product Range:

Infusion Therapy

Safety I.V. Cannula
I.V. Cannula
Quick Flashback I.V. Cannula
Needle Free Systems
Three Way Stop Cocks
I.V. Infusion Sets
I.V. Flow Regulators
Extension Lines
CVP Manometer
Safety Scalp vein Sets

Central Venous Access Catheters

Central Venous Catheters (Single / Double / Triple Lumen)

Anaesthesia

Oxygen Catheters
Suction Catheters
Guedel Airways
Respiratory Exerciser
Nasal Oxygen Tubes
Oxygen Masks
Aerosol Therapy masks
Fixed Concentration Masks
Endotracheal Tubes
Tracheostomy Tubes
Spinal Needles
Catheter Mount

Urology

Urine Collection Bags
Measured Volume Urine Meter
Urine Drainage Catheters
TUR Sets
Foley Balloon Catheters
Irrigation Sets

Gastroenterology

Ryle's Tubes
Levin's Tubes
Infant Feeding Tubes
Mucus Extractors
Umbilical Catheter
Feeding Bag

Blood Management & Blood Collection Systems

Blood Administration Sets
Blood Bag Systems
Blood Collection Tubes and Needles
Safety Blood Collection Sets

Surgery and Wound Drainage

Redon Drains
Thoracic Drainage Catheters
Abdominal Drainage Sets
Under Water Seal Drainage Systems
Yankauer Suction Sets

Dialysis

Fistula Needles
Safety Fistula Needles
Blood Lines
Haemodialysis Catheter
Peritoneal Dialysis Transfusion Set

Others

Insulin Syringes
Umbilical Cord Clamps
Sputum Collector
Dry Brush

Financial Highlights

	(₹ in lacs)				
	2013-14	2012-13	2011-12	2010-11	2009-10
Revenue From Operations (Net)	31,233.32	25,223.79	20,891.86	16,966.75	13,600.46
Total Revenue	31,339.52	25,260.55	20,953.81	17,006.06	13,653.36
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	7,369.56	5,152.02	4,577.28	3,666.20	2,943.19
Depreciation and Amortisation	1,351.06	1,182.06	995.52	858.79	706.99
Exceptional Items	(991.46)	-	-	-	-
Profit For the Year	4,303.21	2,402.92	1,925.96	2,169.02	1,642.94
Equity Dividend %*	40%	20%	15%	15%	12.5%
Dividend Payout	881.33	440.50	330.38	330.38	275.31
Equity Share Capital	2,203.32	1,101.25	1,101.25	1,101.25	1,101.25
Reserves and Surplus	12,226.21	10,002.73	8,188.32	6,676.50	4,882.84
Net Worth	14,429.95	11,103.98	9,289.57	7,777.75	5,984.09
Gross Fixed Assets	21,335.69	15,719.38	13,539.00	11,274.13	9,641.81
Net Fixed Assets	14,008.95	9,715.95	8,673.33	7,250.83	6,225.79
Total Assets	28,248.21	21,193.00	17,976.48	15,195.57	12,530.22
Market Capitalisation	99,656.00	49,556.00	27,928.00	30,615.00	10,759.00
Number of Employees	1478	1329	1210	1027	890

Key Indicators

	2013-14	2012-13	2011-12	2010-11	2009-10
Earnings Per Share - (₹)*	19.53	10.91	8.75	9.85	7.46
Turnover Per Share - (₹)*	141.76	114.52	94.86	77.03	61.75
Book Value Per Share - (₹)*	65.49	50.42	42.18	35.31	27.17
Debt : Equity Ratio	0.46:1	0.44:1	0.49:1	0.53:1	0.55:1
EBDIT/ Net Turnover %	23.60%	20.43%	21.91%	21.61%	21.64%
Net Profit Margin%	13.78%	9.53%	9.22%	12.78%	12.08%
RONW%	29.82%	21.64%	20.73%	27.89%	27.46%
ROCE%	20.37%	15.04%	13.87%	18.22%	17.72%

*Adjusted for issue of Bonus Share in 2013-14 in the ratio of 1:1

Letter to Shareholders



Dear Shareholders,

At Poly Medicure, we are driven by our passion and committed to maintain excellence in manufacturing of medical devices. We are constantly engaged in leveraging our strengths to deliver robust performance that builds sustainable value for our esteemed stakeholders.

The Indian Government has set up an ambitious agenda to achieve Universal Healthcare for all by 2020, but to achieve this all four sectors of Healthcare Industry viz. Pharma Industry, Health Insurance Industry, healthcare Providers and Medical technology Industry have to grow in Tandem. Out of the four Sectors currently, Medical Technology Industry is the smallest but it is the most critical contributor to the improvement of Healthcare in India. This Industry will play a vital role in providing affordable healthcare and innovative low cost delivery model.

Your Company has innovated and brought lower cost versions of many basic devices and has also earned precious foreign exchange for the country. Medical Equipments accounts for 29% of the total cost incurred in setting up a Hospital (250 bedded). The growth of the Hospitals Sector will simultaneously ensure the growth of the Medical Technology Industry.

At Poly Medicure, we are giving more emphasis on Research and Development and Technical Innovations in manufacturing of our products.

Robust Financial Performance

It gives me great pleasure to share with you the Company's Financial Performance for the Financial Year 2013-14, the Company has achieved net sales of ₹ 312.33 cr. which records a growth of 24% compared to net sales of ₹ 252.24 cr. in previous Financial Year. During the same period, net profit after tax expanded handsomely to ₹ 43.03 cr. from ₹ 24.03 cr. in the previous year.

This was made possible because of the relentless effort and hard work of our employees across the organization and on behalf of the Board I would like to congratulate each one of them for their excellent performance.

Initiating CSR Activities

Poly Medicure has always believed that business is an active entity of the society and its economy and plays important role in national building. Children are the future of the nation and hence, nothing can parallel their safety, proper nourishment and care in creating a better future and more prosperous tomorrow. With this thought, Poly Medicure has initiated several CSR activities. The Company has also donated a food distribution vehicle to Akshay Patra Foundation (NGO) which will be helpful in providing mid-day food to the thousands of students and motivate them to come to school and study to become better citizens of future.

Strategic Growth Initiatives

Our strategy continues to evolve as we are doing work hard to improve our customer service(s) and grow business gradually. Some of the strategic initiatives are as follows:

Commencement of commercial production at Mahindra SEZ Plant, Jaipur: Our strategy of continuously moving up the value chain with wider geographic reach, your Company has started commercial production at Mahindra SEZ, Jaipur, for the manufacture of Medical Devices and would be able to achieve 50% capacity utilization during the year. This is a new plant which will augment capacity of production and export growth and further improve competitiveness of company's products in the market.

Introducing of new products: The Company plans to introduce many new products in the field of Nephrology, Anesthesia and Infusion Therapy to complement its current product range and increase its offering in these categories.

Focus on Domestic Markets: Your Company is constantly increasing its market share in domestic business and is investing in new marketing initiatives to expand usage of its products in all key Hospitals in the country.

Future Outlook

The prospect of Medical Devices industry looks bright and promising as the Country's Healthcare Sector is growing rapidly and it continues to expand its coverage in Public as well as Private Sectors. There is substantial demand for high quality and Specialty Healthcare services in Tier II and Tier III Cities.

Major focus of your Company, will be on Quality, Consistency and Productivity through investing in process Automation, Customer Service etc. These are few major factors for acceptance of our products in more than 80 countries across the globe. The Company is further allocating additional resources in Research & Development in terms of manpower and funds in order to increase its product range. The additional infrastructure has been created at Haridwar and new plant has been commissioned as SEZ Jaipur to fulfill the growing demand.

Your Company continues to make significant progress in strengthening people, practices and processes to attract and retain the best talent in the Industry. Several measures have been initiated.

I would like to express my gratitude towards the Board of Directors, whose support and guidance have been invaluable on our path of progress. I thank you for the faith and trust you reposed in your company and also thank all our stakeholders for their continued support, commitment and contribution towards company's growth.

New Delhi
Date: 30th July 2014

Devendra Raj Mehta
Chairman

NOTICE

Notice is hereby given that the 19th Annual General Meeting (AGM) of the Members of “**Poly Medicare Limited**” will be held on Tuesday, the 23rd September, 2014 at 10:00 am at Bipin Chandra Pal Memorial Bhavan, A-81, Chittranjan Park, New Delhi- 110019, to transact the following business:

Ordinary Business

1. To receive, consider and adopt
 - the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2014, the reports of the Board of Directors and Auditors thereon;
 - the Audited Consolidated Financial Statement of the Company for the Financial Year ended 31st March, 2014.
2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2014.
3. To appoint a Director in place of Shri Jugal Kishore Baid (DIN: 00077347) who retires by rotation at this Annual General Meeting and being eligible has offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** Pursuant to Section 139 and other applicable provisions of the Companies Act, 2013, and the rules made there under, the retiring Auditors, M/s Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 24th Annual General Meeting of the Company, subject to ratification by shareholders at each Annual General Meeting to be held thereafter, at such remuneration as may be fixed by the Board of Directors of the Company, for the Financial Year 2014-15.”

Special Business

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** Smt. Mukulika Baid (DIN: 02900103), who was appointed as an Additional Director of the Company by the Board of Directors on 30th July, 2014 and who holds office pursuant to Section 160 of the

Companies Act, 2013 up to the date of ensuing Annual General Meeting, and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of a director, be and is hereby appointed as a director of the Company, liable to retire by rotation.”

6. To appoint Shri Devendra Raj Mehta (DIN: 01067895) as an Independent Director and in this regard to consider if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Shri Devendra Raj Mehta (DIN: 01067895), who was appointed as a director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (Five) consecutive years for a term up to the conclusion of 24th Annual General Meeting of the Company.”

7. To appoint Shri Prakash Chand Surana (DIN: 00361485) as an Independent Director and in this regard to consider if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Shri Prakash Chand Surana (DIN 00361485), who was appointed as a director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (Five) consecutive

years for a term up to the conclusion of 24th Annual General Meeting of the Company.”

8. To appoint Dr. Shailendra Raj Mehta (DIN: 02132246) as an Independent Director and in this regard to consider if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Dr. Shailendra Raj Mehta (DIN: 02132246), who was appointed as a director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of 24th Annual General Meeting of the Company.”

9. To appoint Shri Yeshwant Singh Choudhary (DIN: 00006906) as an Independent Director and in this regard to consider if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Shri Yeshwant Singh Choudhary (DIN 00006906), who was appointed as a director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (Five) consecutive years for a term up to the conclusion of 24th Annual General Meeting of the Company.”

10. To appoint Dr. Sohan Raj Mohnot (DIN: 00006889) as an Independent Director and in this regard to consider if

thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Dr. Sohan Raj Mohnot (DIN 00006889), who was appointed as a director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (Five) consecutive years for a term up to the conclusion of 24th Annual General Meeting of the Company.”

11. To re-appoint Shri Himanshu Baid (DIN: 00014008) as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Himanshu Baid (DIN: 00014008) as Managing Director of the Company, for a period of 5 (Five) years with effect from 01st August, 2014 on the terms & conditions including remuneration as set out in the statement annexed to the Notice convening this meeting with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination & Remuneration Committee of the Board) to alter and vary the term(s) & condition(s) of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Himanshu Baid, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof,

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such act(s) and take all such step(s),

as may be necessary, proper or expedient to give effect to this resolution.”

12. To re-appoint Shri Rishi Baid (DIN: 00048585) as Executive Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Rishi Baid (DIN: 00048585) as Executive Director of the Company, for a period of 5 (Five) years with effect from 01st August, 2014 on the terms & conditions including remuneration as set out in the statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination & Remuneration Committee of the Board) to alter and vary the term(s) & condition(s) of the said re-appointment and/or remuneration as it may be deemed fit and as may be acceptable to Shri Rishi Baid, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such act(s) and take all such step(s) as may be necessary, proper or expedient to give effect to this resolution.”

13. To approve payment of remuneration to Non-Executive Directors and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014, (Including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive directors of the Company (i.e. directors other than the Managing Director and/or Executive Director) be paid, remuneration, in addition to sitting fees for attending the meetings of the Board of Directors or committees thereof, as the Board of Directors may from

time to time determine, not exceeding ₹ 7,50,000/- p.a. to each of the Non-Executive Directors of the Company with effect from the Financial Year 2014-2015, subject to overall ceiling of 1% of the net profits of the Company for each Financial Year, as computed in the manner laid down in section 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Nomination & Remuneration Committee) be and is hereby authorized to do all such act(s) and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the Provisions of Section 148 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors viz. M/s Jai Prakash & Co., Cost Accountants appointed by the Board of Directors to conduct the audit of cost records of the Company, for the Financial Year ending 31st March, 2015, be paid a remuneration of ₹ 40,000 plus service tax, as applicable.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such act(s) and take all such step(s) as may be necessary, proper or expedient to give effect to this resolution.”

15. To consider and if thought fit, to pass with or without any modification the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** in pursuance of Section 188 of the Companies Act, 2013 and any other applicable provisions, if any, and rules made there under, from the time being in force, the consent of the company be and is hereby accorded for entering into a Job Work Contract as mention below:

- a. **Name of the Related Party and relationship:** M/s Vitromed Healthcare, Jaipur, the partnership firm.
- Shri Jugal Kishore Baid and Shri Rishi Baid, directors of the company are also partner in the firm and Shri Vishal Baid, partner of the firm is the relative of directors of the company.

- Smt. Mukulika Baid and Shri Himanshu Baid, directors of the company are also relatives of the partners of the firm.
 - M/s Polycure Martech Limited a partner of the firm in which directors of the company and their relatives are the members.
- b. **Duration & Particulars of the Contract:** 3 (Three) Years with effect from 1st April, 2015.
- c. **Material Term(s) of the Contract or arrangement(s) including the value:** The Company agrees to outsource the manufacture of some of the Medical Devices and their components from M/s Vitromed Healthcare (the firm) and the firm agrees to manufacture the same on job work basis. The maximum amount of the contract shall be ₹ 50 corers per annum.
- d. **Any Advance paid or received for the contract or arrangement, if any:** Nil
- e. **Manner of determining the pricing and other commercial terms both included as part of the Contract:** All proposed transactions would be carried out as part of the business requirements of the company and are to be on arm's length basis. Further the company also subject to transfer pricing norms prevalent in the country.
- f. **Whether all other factors relevant to the contract have been considered:** All factors have been considered.
- g. **Any other information:** Nil"
16. To consider and if thought fit, to pass with or without any modification the following Resolution as a **Special Resolution:**
- "RESOLVED THAT** in pursuance of Section 188 of the Companies Act, 2013 and any other applicable provisions, if any, and rules made there under, from the time being in force, the consent of the company be and is hereby accorded for sale of goods and materials as mention below:
- a. **Name of the Related Party and relationship:** M/s Ultra for Medical Products, Egypt.
Joint venture in which the company has 23% shareholding and Shri Himanshu Baid and Shri Rishi Baid, directors of the Company are also directors in Joint Venture.
- b. **Duration & Particulars of the Contract:** 2 (Two) Years i.e. FY 2014-15 and 2015-16.
- c. **Material Term(s) of the Contract or arrangement(s) including the value:** The Company agrees to sell goods and materials, for the maximum amount of ₹ 20 corers per annum.
- d. **Any Advance paid or received for the contract or arrangement, if any:** Nil
- e. **Manner of determining the pricing and other commercial terms both included as part of the Contract:** All proposed transactions would be carried out as part of the business requirements of the company and are to be on arm's length basis. Further the company also subject to transfer pricing norms prevalent in the country.
- f. **Whether all other factors relevant to the contract have been considered:** All factors have been considered.
- g. **Any other information:** Nil"

By order of the Board of Directors

Sonia Singh
Company Secretary

Date 30th July, 2014

Registered Office:

First Floor, 12, Sant Nagar, East of Kailash,
New Delhi -110065.

CIN: L40300DL1995PLC066923

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 19th ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTRERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.**
2. **A PERSON SHALL ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.**
3. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution / authorization, as applicable.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
6. The Register of Members and Share Transfer books of the Company will remain closed from Wednesday, 17th September, 2014 to Tuesday, 23rd September, 2014, (both days inclusive) for the purpose of payment of dividend, if any, approved by the members.
7. The dividend, if declared at the ensuing Annual general meeting, would be paid/dispatched on or after 24th September 2014 to those persons or their mandates:
 - a. whose names appear as beneficial owners as at the end of the business hours on 16th September 2014 in the list of beneficial owners to be furnished by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic mode, and
 - b. whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the
8. Equity shares that may be allotted upon exercise of stock options granted under the Employee Stock Option Scheme – 2011 (as amended) before the book closure date shall rank pari passu with the existing equity shares and shall also be entitled to receive the dividend, if approved at the meeting.
9. Pursuant to the provisions of the Companies Act 1956, the unpaid / unclaimed dividend for the financial year 2005-06 has been transferred by the Company to the “Investor Education and Protection Fund”(IEPF) established by the Central Government.
10. Pursuant to the provisions of the Companies Act 1956, as amended, dividend for the Financial Year 2006-07 and the dividend for the subsequent years, which remains unpaid or unclaimed for a period of 7 years will be transferred to IEPF. Members who have so far not encashed the dividend warrant(s) For the Financial year 2006-07 are requested to make their claim to the company / Registrar and Transfer Agents on or before 5th September, 2014, failing which the unpaid / unclaimed amount will be transferred to the IEPF. It may also be noted that once the unpaid / unclaimed dividend transferred to the IEPF as above, no claim shall lie against the company or the IEPF in respect thereof and the members would lose their right to claim such dividend.
11. Members are requested to:
 - a. intimate to the Company’s Registrar and Transfer Agents, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form,
 - b. intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form,
 - c. quote their folio numbers/Client ID/DP ID in all correspondence, and
 - d. consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.
12. To avoid fraudulent transactions, the identity/ signature of the members holding shares in electronic/ demat form is verified with the specimen signature furnished by the NSDL/ CDSL and that of members holding shares in physical form is verified as per the records of the Registrar and Transfer agents of the Company (viz. Mas Services Limited). Members are requested to keep the same updated.

13. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares.
14. In terms of Section 101 & 136 of the Companies Act, 2013 read with together with the rules made there under, the listed companies may send the Notice of the Annual General Meeting and the Annual Report, including Financial Statements, Board Report etc. or any other communication by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the registrar and transfer agents of the Company.
15. Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Registrar and transfer agent (in case of Shares held in physical form).
16. The Company has been maintaining, inter-alia, the following statutory registers at its Registered Office at First Floor, 12, Sant Nagar, East of Kailash, New Delhi-110065, which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others as specified below:
 - (a) Register of contracts or arrangements in which directors are interested under section 301 of the Companies Act, 1956 and section 189 of the Companies Act, 2013, on all working days during the business hours. The said registers shall also be produced at the commencement of the meeting to a person having the right to attend the meeting.
 - (b) Register of directors' shareholding under Section 307 of the Companies Act, 1956 and register of directors and KMPs and their shareholding under section 170 of the Companies Act, 2013 on all working days during business hours. The said registers shall be kept open for inspection at the Annual General Meeting of the Company and shall be made accessible to a person for attending the meeting.
17. Since the Company's shares are in the compulsory demat trading, to ensure better services and elimination of risk of holding Shares in physical form, the Company requests the shareholders holding shares in physical form to dematerialize their shares at the earliest.
18. Members/Proxies are requested to bring the copies of Annual Report to the meeting.
19. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form to Registrar and Transfer Agents. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
20. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Clearing Service ("ECS") to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
21. Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:
 - (a) the change in the residential status on return to India for permanent settlement.
 - (b) the particulars of the NRE Account with a Bank in India, if not furnished earlier.
22. Brief details of directors, who are seeking re-appointment / appointment, are given in the Report on Corporate Governance, as per requirement of Clause 49 of the Listing Agreement.
23. The Annual Report of the Company for the year 2013-14, circulated to the Members of the Company, is available on the Company's website viz. www.polymedicure.com.

24. VOTING THROUGH ELECTRONIC MEANS:

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rule, 2014 (hereinafter called "the rules" for the purpose of this section of the Notice) and clause 35B of the Listing Agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on the Book Closure date 23rd September, 2014 (end of day) being the cut-off-date (Record Date for the purpose of Rule 20(3) (vii) of the rules) fixed for determining voting rights of members, entitled to participate in the e-voting process of Rule 20(3) (vii) of the rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform form provided by CDSL.

The instruction for e-voting are given on the E-VOTING SLIP.

Explanatory Statement pursuant to section 102 of the Companies Act, 2013:

Item No. 5

As per the provisions of Section 149 of the Act and amended Clause 49 of the Listing Agreement, the Company is required to appoint at least one Woman Director on the Board.

Keeping in the view of the above requirements, the Board of Directors has appointed Smt. Mukulika Baid, as Non-executive additional Director with effect from 30th July, 2014, whose term of office shall expire on the date of ensuing Annual General meeting.

Smt. Mukulika Baid (age 64 years) is a Graduate and has been associated with M/s Jai Polypan Pvt. Ltd as a Director for 15 years. She is also associated with several non-profit organizations for rendering social service.

The Company has received a Notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Mukulika Baid for the office of a director.

Smt. Mukulika Baid is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given her consent to act as a Director. She is related to Shri J. K. Baid, Shri Himanshu Baid and Shri Rishi Baid and holds 7,65,600 Equity Shares in the Company.

Item No. 6, 7, 8, 9 and 10

Shri Devendra Raj Mehta, Shri Prakash Chand Surana, Dr. Sohan Raj Mohnot, Shri Yeshwant Singh Choudhary & Shri Shailendra Raj Mehta are Independent Directors of the Company and have held the positions as such for more than 5(Five) Years except Shri Shailendra Raj Mehta who has held this position for 2 (Two) years.

It is proposed to appoint Shri Devendra Raj Mehta, Shri Prakash Chand Surana, Dr. Sohan Raj Mohnot, Shri Yeshwant Singh Choudhary & Shri Shailendra Raj Mehta, as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive Years for a term up to the conclusion of the 24th Annual General Meeting of the Company.

The above mentioned persons are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members under Section 160 of the Act proposing the candidature of each of Shri Devendra Raj Mehta, Shri Prakash Chand Surana, Dr. Sohan Raj Mohnot, Shri Yeshwant Singh Choudhary and Shri Shailendra Raj Mehta, for the office of the directors of the Company.

The Company has also received declarations from all of them that they meet with the criteria of Independence as prescribed both under sub section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board all the five candidates fulfill the conditions for appointment of as Independent Directors as specified in the Act and the Listing Agreement.

Brief resume of Shri Devendra Raj Mehta, Shri Prakash Chand Surana, Dr. Sohan Raj Mohnot, Shri Yeshwant Singh Choudhary and Shri Shailendra Raj Mehta, nature of their expertise in specific functional areas and names of the Companies in which they hold directorship and Memberships/ Chairmanships of Board Committees, Shareholding and relationship between directors inter-se as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Shri Devendra Raj Mehta, Shri Prakash Chand Surana, Dr. Sohan Raj Mohnot, Shri Yeshwant Singh Choudhary and Shri Shailendra Raj Mehta are interested in the Resolutions set out in the notice for their appointment and thus the respective directors and their relatives may be deemed to

be interested in the resolutions set out at Item No 6 to 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other directors/ Key Managerial Personnel of the Company/ their relatives are, in any way interested, financially or otherwise, in these resolutions.

Item No. 11 and 12

The Board of Directors of the Company (Board), in its meeting held on 30th July, 2014 has subject to the approval of the members, re-appointed Shri Himanshu Baid as Managing Director and Shri Rishi Baid as Executive Director, for a period of 5 (Five) Years from the expiry of their present term on 31st July, 2014, at remuneration recommended by Nomination & Remuneration Committee of the Board and approved by the Board.

Broad Particulars of the terms of re-appointment of Remuneration payable to Shri Himanshu Baid and Shri Rishi Baid are as under:-

(a) Salary, Perquisites and Allowances:

Details	Shri Himanshu Baid, Managing Director	Shri Rishi Baid, Executive Director
Period	From 01 st August, 2014 to 31 st July, 2019	
Remuneration		
Basic Salary	₹ 6,25,000/- per month with effect from 01 st August, 2014, with annual increment of ₹ 75,000/- p.a.	₹ 6,00,000/- per month with effect from 01 st August, 2014, with annual increment of ₹ 75,000/- p.a.
Commission	3% of Profit, as computed under the provisions of the Act.	

The perquisites and allowances shall include accommodation (furnished or otherwise) or house rent allowance @60% of basic salary in lieu thereof; house maintenance allowance together with expenses incurred on gas, electricity, water, securities, furnishing and repairs, medical expenses and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated on actual cost.

The Company's contribution to provident fund, to the extent not taxable under the Income Tax law, gratuity

payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

(b) Remuneration based on Net Profits:

The overall remuneration payable every year to the Managing Director and the Executive Director by way of salary and perquisites shall not exceed Ten percent of the Profits of the Company, as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactments thereof as referred in the Resolution at Item No. 11 and 12 of the Notice.

(c) Reimbursement of Expenses:

Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members, personal accidental insurance premium, club membership fee; and provision of cars for use on the Company's business and telephone expenses at residence shall be borne by the company / reimbursed at actuals and not considered as perquisites. Other perquisites / benefits may also be paid, as the Board of Directors (including the committees thereof) may decide from time to time.

(d) General:

- i. The Managing Director and the Executive Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may be from time to time be given and made by the Board.
- ii. The Managing Director and the Executive Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- iii. The Managing Director and the Executive Director shall adhere to the Company's Code of Business conduct & Ethics for directors and Management Personnel.

In the event of loss or inadequacy of profits in a financial year during the currency of the tenure, the managerial person shall be paid the above mentioned salary,

allowances and perquisites, which shall not exceed the limits prescribed under the Companies Act.

Shri Himanshu Baid and Shri Rishi Baid satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub section (3) of Section 196 of the Act for being eligible for their appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

Brief resume of Shri Himanshu Baid and Shri Rishi Baid, nature of their expertise in specific functional area, names of the Companies in which they hold directorship(s)/ membership(s)/ Chairmanship of Board Committee(s), shareholding and relationships amongst directors inter-se as stipulated under Clause-49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Shri J. K. Baid, Smt. Mukulika Baid, Shri Himanshu Baid, Shri Rishi Baid and their relatives are interested in the resolutions set out respectively at Item No. 11 and 12 of the Notice, to the extent of their shareholding interest, in the Company and therefore, shall not take part in voting in these resolutions.

It is proposed to seek the members' approvals for the re-appointment and remuneration payable to Shri Himanshu Baid as Managing Director and Shri Rishi Baid as Executive Director, in terms of the applicable provisions of the Act.

Item No. 13

The presence of the Non-Executive Directors on the Board of Directors of your Company has helped your Company to achieve multifold growth. Each Non- Executive Director brings to the Board vast experience and intellect in multifarious fields relevant to unique requirements of your Company.

In the light of services rendered by the Non-Executive Directors for the business of the Company and in keeping with best corporate principles, it is considered desirable that Non-Executive Directors are remunerated for their contribution.

In terms of the proviso to Section 197(1) of the Companies Act, 2013, a Company can remunerate/make payment by way of commission to its Non-Executive Directors for a sum not exceeding 1% of the Profits as computed as per

provision of the Act, if the Company has a Managing Director or Executive Director. Further pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s), all fees/compensation, if any, paid to Non-Executive Directors of the Company, shall be fixed by the Board of Directors and shall require the prior approval of the Shareholders at a General Meeting.

Based on the recommendations of the Nomination & Remuneration Committee in its meeting held on 30th July, 2014, the Board of Directors in its meeting held on 30th July, 2014, subject to the approval of the Shareholders, has approved the payment of Annual Commission of ₹ 7,50,000 to each Non-Executive Director of the Company with effect from 01st April, 2014 subject to the ceiling as per Companies Act 2013, in addition to the sitting fees payable to such directors for attending the Board and Committee meetings and reimbursement of expenses, if any.

All the Directors of the Company and their relatives, may be deemed to be concerned or interested in this Resolution to the extent of commission that may be payable to them from time to time.

Item No. 14

The Board, on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s Jai Prakash & Co. Cost Accountants to conduct the audit of Cost Records of the Company for the Financial Year ending 31st March, 2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the appointment and remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

None of the directors/ Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the resolution.

Item No. 15:

In the light of provisions of the Companies Act 2013, the Board of Directors has approved the proposed transactions along with annual limits that the company may enter into with its related party.

a. Name of the Related Party: M/s Vitromed Healthcare, Jaipur.

b. Name of the director or Key Managerial Personnel who is related, if any: Shri Jugal Kishore Baid, Shri Rishi Baid, Smt. Mukulika Baid and Shri Himanshu Baid.

c. Nature of Relationship:

- Shri Jugal Kishore Baid and Shri Rishi Baid, directors of the company are also partner in the firm and Shri Vishal Baid, partner of the firm is the relative of directors of the company.
- Smt. Mukulika Baid and Shri Himanshu Baid, directors of the company are also relative of the partners of the firm.
- M/s Polycure Martech Limited a partner of the firm in which directors of the company and their relatives are the members.

d. Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement: The Company agrees to outsource the manufacture of some of the Medical Devices and their components from M/s Vitromed Healthcare (the firm) and the firm agrees to manufacture the same on job work basis. The maximum amount of the contract shall be ₹ 50 corers per annum.

e. Any Other Information: Nil.”

Audit Committee and the Board of Directors of your Company has approved this item in their Meeting held on 30th July, 2014 and recommends the Resolution for the approval of members of the Company as Special Resolution.

Item No. 16:

In the light of provisions of the Companies Act 2013, the Board of Directors has approved the proposed transactions along with annual limits that the company may enter into with its related party.

a. Name of the Related Party: M/s Ultra for Medical Products, Egypt.

b. Name of the director or Key Managerial Personnel who is related, if any: Shri Rishi Baid and Shri Himanshu Baid.

c. Nature of Relationship:

Joint venture Company in which the company has 23% shareholding and Shri Himanshu Baid and Shri Rishi Baid, directors of the Company are also directors in Joint Venture Company.

d. Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement: The Company agrees to sell goods and materials, for the maximum amount of ₹ 20 corers per annum.

e. Any Other Information: Nil.”

Audit Committee and the Board of Directors of your Company has approved this item in their Meeting held on 30th July, 2014 and recommends the Resolution for the approval of members of the Company as Special Resolution.

By order of the Board of Directors
Sonia Singh
Company Secretary

Date: 30th July, 2014
Registered Office:
First Floor, 12, Sant Nagar, East of Kailash,
New Delhi- 110065.
CIN: L40300DL1995PLC066923
E-mail: investorcare@polymedicure.com

DIRECTORS' REPORT

Your Directors take immense pleasure in presenting their 19th Annual Report on the business and operations of your Company along with the Audited Statements of Accounts and financial performance for the year ending March, 2014. You will be happy to know that your Company continues to maintain steady growth in its operational and financial achievements which are reflected by the financial indicators during the Financial Year under report.

Financial Performance

(₹ in Lacs)

Parameters	F.Y. 2013-14	F.Y. 2012-13
Revenue from Operations (Net)	31,233.32	25,223.79
Add: Other Income	106.20	36.76
Total Revenue	31,339.52	25,260.55
Profit before Interest, Tax, Depreciation and Amortization (EBITDA)	7,369.56	5,152.02
Depreciation & Amortization Expenses.	1,351.06	1,182.06
Finance Cost	794.87	589.78
Exceptional Items	(991.46)	--
Profit Before Tax (PBT)	6,215.09	3,380.18
Tax Provision	1,911.88	977.26
Profit After Tax	4,303.21	2,402.92
Total amount available for appropriation	8,004.12	5,216.27
Proposed Dividend	881.33	440.50
Dividend Tax	149.78	74.86
Amount transferred to General Reserve	1500.00	1,000.00
Surplus carried to Balance Sheet	5,473.01	3,700.91
Earnings per Share (EPS in ₹)		
Basic	19.53	10.91
Diluted	19.51	10.90

Briefly, during the year under report, the company's total income increased to ₹ 31,339.52 lacs from ₹ 25,260.55 lacs in the previous year, registering a growth of 24.06%. EBITDA improved to ₹ 7,369.56 lacs as against ₹ 5,152.02 lacs in the preceding year which translates into a rise of 43.04%. Profit before Tax (PBT) stood at ₹ 6,215.09 lacs up by 83.87% from ₹ 3,380.18 lacs in the previous year.

Commencement of Commercial Production in New Unit

Your directors are delighted to report that Your Company's new unit situated at Mahindra World City (Jaipur) Ltd., which is a SEZ area, has started commercial production, for the manufacture of Medical Devices with effect from the 23rd May, 2014. The Directors do feel confident that it would be able to achieve the expected capacity utilization of 50% during the current year itself.

Development of New Products

You will be happy to know that the Company is paying special attention to R&D (Research & Development) and has engaged dedicated technical staff and facilities for the development of new products, improvement of existing ones, improving manufacturing processes and practices. The Company has spent a total of ₹ 690.49 lacs in R&D in the year under review.

Subsidiaries and Joint Ventures/Associates

Briefly, the subsidiary companies performed as follows:

- **Poly Medicare (Laiyang) Co. Ltd, China** - The Company has achieved a turnover of ₹ 951.50 lacs for the year ending March, 2014 against ₹ 751.84 lacs in the previous year ending March, 2013.
- **US Safety Syringes Co., LLC, USA** - The subsidiary company could not do any business activities during the year under review because of non-viability of the project.

The Company has one Joint Venture in Egypt, viz.

- **Ultra for Medical Products, Egypt** - The Joint Venture is performing well and has achieved sales of ₹ 3,930.91 lacs during the year against ₹ 3,499.45 lacs in the previous year ending December 2012.

Dividend

In keeping with the Company's tradition of rewarding the Shareholders, your directors are very happy to recommend a dividend @ ₹ 4.00 per Equity Share of the face value of ₹ 10/- each. The dividend, if approved at the ensuing Annual General Meeting, will be paid to members whose names appear in the Register of Members in respect of shares held in dematerialized form, the dividend will be paid to members whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited to the eligible shareholders on book closure date.

The dividend would involve an outflow of ₹ 881.33 lacs towards dividend and ₹ 149.78 lacs towards dividend distribution tax, resulting in a total outflow of ₹ 1,031.11 lacs.

Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education and Protection Fund

During the Year under review, the Company has transferred ₹ 225,820, lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection fund (IEPF) in compliance with Section 205C of the Companies Act, 1956, read with Investor Education & Protection Fund (Awareness and Protection of Investors) Rules, 2001. The said amount represents the dividend for the year 2005-06 which remained unclaimed by the shareholders of the Company for a period exceeding seven years from its due date of payment.

Transfer to Reserves

The Board of Directors has proposed to transfer ₹ 1,500.00 lacs to General Reserves out of the amount available after appropriations and balance of ₹ 5,473.01 lacs is being carried to the Balance Sheet.

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies is attached

The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated 8th February 2011, has provided an exemption to companies from complying with Section 212(8) of the Companies Act, 1956, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2013-14 does not contain the Financial Statements of the subsidiary Companies. The audited annual accounts and related information of subsidiary companies will be made available on a request of the Shareholders. These documents will also be available for inspection during the business hours at Registered Office of your Company.

Fixed Deposits

Your Company has not accepted/or invited any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956, and as such, no amount of Principal or interest was outstanding as on the date of Balance Sheet.

Quality

The Company continues its journey of delivering value to its customers. It adopted several significant external benchmarks and certifications. Poly Medicare is certified under various standards to meet the clients' demands & enhanced value delivery. The Company has been accredited with the International Quality Certifications. (ISO) successfully implemented a well-documented QMS (Quality Management System) which has been accredited by SGS Systems and Services Certifications, United Kingdom with ISO 9001:2008, ISO-13485:2003 and CE mark (Product Certification) from (Det Norske Veritas) as DNV, Norway

thus making the entire product range compliant with International Quality Standards.

Credit Rating

The credit rating agency, CRISIL has reaffirmed the rating as A/stable for fund based facilities and A1 for non-fund based facilities. The credit rating as assigned reflect the company's financial discipline and prudence.

Foreign Currency Exposure

As a major share of Company's revenue is earned in foreign currencies whereas major share of expenditure is made in Indian Currency, hence, the Company is obviously exposed to foreign currency Fluctuation risks.

The Company has designed a review and control mechanism to minimise the risk which is reviewed periodically. Foreign currency exposures are managed through Foreign Risk Management and Hedging policy. The policy is reviewed periodically to ensure that the risk from fluctuating currency exchange is appropriately managed.

Cost Auditor

Pursuant to the Circular issued by the Ministry of Corporate Affairs vide circular, F. No. 52/26/cab-2010 dated 06th November, 2012, Company is required to comply with Cost Audit for the Financial Year 2014-15. Accordingly, Cost Auditor viz. M/s Jai Prakash & Co. (Cost Accountants) have been appointed to carry out the Cost Audit of the Company for the Financial Year 2014-15.

Auditors and Auditors' Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made there under, the current Auditors of the Company, M/s Doogar & Associates, Chartered Accountants, (Reg. No. 000561N) are eligible to hold office for a period of Five years, up to Financial Year 2018-19. Since, the Auditors have been giving efficient services, it is proposed that M/s Doogar & Associates, Chartered Accountants, (Reg. No. 000561N) be re-appointed as Auditors for a period of Five Years from the conclusion of this Annual General Meeting till the conclusion of 24th Annual General Meeting with their remuneration for the Financial Year 2014-15, be determined by the Shareholders.

Secretarial Audit Report

As measure of good Corporate Governance practice, the Board of Directors of the Company appointed Shri B.K. Sethi, Practicing Company Secretary, to conduct Secretarial Audit. The Secretarial Audit Report for the Financial Year ended 31st March, 2014, is annexed to the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, The Securities Contract (Regulations) Depositories Act, 1996, Listing Agreement with Stock Exchange(s), Securities Contracts (Regulation) Act, 1956 and all the regulations and guidelines of SEBI as applicable to the Company.

Employee Stock Options Scheme

The Compensation Committee in its meeting dated 31st July, 2013, amended the Employee Stock Option Scheme, to further grant 16,730 Options to the existing Optionees of the Company.

Pursuant to the provisions of the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, the details of Stock Options as on March, 2014 under the amended Employee Stock Option Scheme, 2011 are set out as **Annexure – I**.

Listing

The Shares of your Company are listed on the Bombay Stock Exchange Limited (BSE), Mumbai and National Stock Exchange of India Limited, (NSE) Mumbai. The Listing fees to the Stock Exchanges for the year 2014-15 have been paid.

Directors

In view of the provisions of the Companies Act, 2013, Shri Jugal Kishore Baid is liable to retire by rotation at the ensuing Annual General Meeting, and he offers himself for re-appointment. The information as required to be disclosed under Clause 49 of the Listing Agreement, in case of re-appointment of directors is provided in the Notice of the ensuing Annual General Meeting of the Company.

Pursuant to Section 149(4) of the Companies Act, 2013, every Listed Company is required to appoint one third of its Directors as Independent Directors. The Board has already five Independent Directors in terms of the provisions of Clause 49 of the Listing Agreement. The Board in its meeting held on 30th July, 2014 recommended the appointment of existing Independent Directors namely, Shri Devendra Raj Mehta, Dr. Sohan Raj Mohnot, Shri Prakash Chand Surana, Shri Yeshwant Singh Choudhary and Dr. Shailendra Raj Mehta under Section 149 of the Companies Act, 2013 and Clause 49 of Listing Agreement, as 'Independent Directors' subject to the approval of the Members.

Necessary details in respect of the directors is given in the Corporate Governance Report.

The Independent Directors have submitted their respective declarations of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of Independence specified in the Act and the Rules made there under as also under new Clause 49 of the Listing Agreement.

Allotment of Shares under Employee Stock Option Plan (ESOP, 2011)

During the year, the Company had allotted 8,211 Equity Shares of ₹ 10/- on 13th October, 2013, pursuant to Employee Stock Option Scheme, 2011. Accordingly, the Paid up Capital of the Company has been increased from ₹ 22,02,50,000 to 22,03,32,110.

Corporate Social Responsibility

The Companies Act, 2013 notified Section 135 of the Act concerning Corporate Social Responsibility along with the Rules there under and revised Schedule VII to the Act on 27th February, 2014 to come into effect from 01st April, 2014.

As the Company is, covered under the provisions of the said section, it is necessary to take initial steps in this regard. A committee of the directors, titled "**Corporate Social Responsibility Committee**" has been constituted by the Board in its meeting held on 15th May, 2014, consisting of the following members:

Shri Devendra Raj Mehta	Chairman
Dr. Sohan Raj Mohnot	Member
Shri Jugal Kishore Baid	Member

The said section being enacted is effective from 01st April, 2014, necessary details as prescribed under the said section shall be presented to the members in the Annual Report for the year 2014-15.

Industrial Relations/ Human Resources Management

Your Company maintained healthy, cordial and harmonious industrial relations at all levels during the year under Report. Your Company firmly believes that a dedicated hard workforce constitutes the primary resource for sustainable competitive advantage. Accordingly, Human resource development continues to receive focused attention of the Management. Your directors wish to place on record their sincere appreciation for the dedicated and commendable services rendered by the employees of your Company.

Corporate Governance

Your Company always strives to ensure that best Corporate Governance practices are identified, adopted and consistently followed. Your Company believes that Good Corporate Governance is the basis of sustainable growth of

the business and for enhancement of Stakeholders' value. The Corporate Governance and Management Discussion Analysis Report form an integral Part of this Report and are set out separate in sections in this Annual Report.

The Report on Corporate Governance along with certificate from M/s B.K. Sethi & Co., Practicing Company Secretaries confirming compliance of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement of Stock Exchange is also annexed and forms part of this Annual Report.

All Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct as applicable to them for the year ending on 31st March, 2014. A declaration to this effect as signed by Shri Himanshu Baid, Managing Director, is annexed to this Report.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- i. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Appropriate accounting policies have been selected and applied them consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the Profit of the Company for the year ended on that date;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts of the Company have been prepared on a "going concern basis".

Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the operations of the Company, as required under the Listing Agreement with the Stock Exchanges is forming part of Directors' Report, as per **Annexure - II**.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings and

outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in "**Annexure III**" and forming an integral part of this Report.

Particulars of Employees

A statement showing the particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is annexed as "**Annexure IV**".

Acknowledgements & Appreciation

Your Directors wish to place on record their sincere appreciation of the efforts and dedicated services of all the employees, which contributed to the continuous growth and excellent performance of the Company.

Yours Directors wish to acknowledge the valuable cooperation extended to the Company by the Central Government, State Government, Joint Ventures Partners, Banks, Institutions, Investors and customers. The Directors look forward to continued co-operation for the future.

For and on behalf of the Board of Directors

30 th July, 2014 New Delhi	D.R. Mehta Chairman	Himanshu Baid Managing Director
--	------------------------	------------------------------------

Annexure I

ESOP Disclosure in Directors Report
(As per Clause 12 of SEBI (ESOS and ESOP) Guidelines, 1999)

Sr. No.	Particulars	ESOS 2011	
		Ist Trench	IInd Trench
A	Options granted	20440 (One option = One equity share)	16730 (One option = One equity share)
B	Pricing Formula	The latest available closing price on Bombay Stock Exchange Limited on 8 th September 2011, preceding the date of grant i.e. 9 th September 2011 - ₹ 302 per share (Discounted grant per share - ₹ 50)	The latest available closing price on Bombay Stock Exchange Limited on 23 rd September 2013, preceding the date of grant i.e. 27 th September 2013 - ₹ 239.95 per share (Discounted grant per share - ₹ 25)
C	Options vested	16420	Nil
D	Options exercised	9896	Nil
E	Total number of shares arising as a result of exercise of Option	8211	Nil
F	Options lapsed / cancelled	4020	310
G	Variation of terms of Options	Exercise price reduced from ₹ 50 to ₹ 25 per option.	Nil
H	Money realized by exercise of Options	₹ 2,47,400	Nil
I	Total number of Options in force	8209	16420
J	Employee wise details of Options granted to – i. Senior managerial Personnel ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during the year iii. Employee getting Options more than 1% of issued Equity Share Capital, during the year	Shri V. K. Khera – 1000 Shri J. K. Oswal – 1000 Shri Hemant Bhalla - 500 None	Shri V. K. Khera – 1000 Shri J. K. Oswal – 1000 Shri Hemant Bhalla - 500 None
K	Diluted Earning Per Share (EPS), pursuant to issue of shares on exercise of Options calculated in accordance with Accounting	19.51	

Sr. No.	Particulars	ESOS 2011	
	Standard-20 Earning Per Share		
L	The difference between employee compensation cost using intrinsic value method and the fair value of the Options and impact of this difference on profits and on EPS	Had Fair value method been adopted for expensing the compensation arising from employee share based payment plans: The employee compensation charge debited to the Statement of Profit and Loss for the year 2013-14 would have been lower by ₹ 4.92 lacs, and Basic EPS and Diluted EPS per share would have been higher by ₹ 0.02	
M	Weighted average exercise price and weighted average fair values of Options granted during the year where exercise price either equals or exceeds or is less than the market price of the stock	Nil	Option Grant Date 27 th Sep 2013 Exercise Price ₹ 25 Fair Value ₹ 239.95
N	Method of calculation of employee compensation cost	Intrinsic value method	
	Significant assumption used to estimate the fair value of options granted during the year		
	(a) Risk free interest rate	-	8 %
	(b) Expected life	-	1 Year
	(c) Expected volatility	-	77.50 %
	(d) Expected dividends	-	₹ 4 per option
	(e) The price of the underlying share in market at the time of option grant	-	₹ 239.95

Annexure - II

Management's Discussion and Analysis

1. Overview of industry

The private sector is the dominant healthcare provider, particularly in urban areas, and as such, is the major end-user of medical equipment. High quality, high tech products are sought after, particularly by facilities run by corporate groups such as Apollo Hospitals, Fortis Healthcare, Max etc. An estimated 95% of all new hospital beds created in recent years have been in the private sector and future increased demand for medical devices and supplies is likely to continue to come mainly from private sector hospitals and medical centers.

Health insurance uptake remains low; private health insurance funds less than 5.0% of private health spending and only around 3.2% of total health expenditure. Since 2008, the government has funded a scheme to provide health insurance coverage for the very poor, which currently covers around 32mn families.

Detailed regulation of medical devices remains a work in progress. To date a few number of implantable and sterile medical devices have been added to the Drugs and Cosmetics Act, bringing them into regulatory control. The government has been working on the revision of rules in recognition of the need to consider medical devices as a separate category. In the meantime, the medical device industry has called on the government to come up with an interim regulatory mechanism in the form of a guidance document.

India being a country with a growing population, its per capita healthcare expenditure has increased at a CAGR of 10.30% from USD 43.10 in 2008 to USD 57.90 in 2011, and going forward it is expected to reach USD 88.70 by 2015. "Currently valued at USD 4.40 billion, the Indian medical device and equipment market is expected to grow to around USD 5.8 billion by 2014 and USD 7.80 billion by 2016, growing at a CAGR of 15.50%," Grant Thornton India said in its report on medical technology sector.

India's medical device market is currently the fourth largest market in Asia with 700 medical device makers, and ranks among the top 20 in the world.

The outlook for medical devices segment over the next few years remains strong, with more recent trends such as greater adoption of health insurance (private as well as state-funded) likely to further increase the penetration of healthcare across the country. The financial support in the

form of fiscal benefits, technological advancements and policy changes are bound to create a strong opportunity for India to build global competitive edge in the healthcare sector, the report said.

The industry is very fragmented with more than 65% of Indian manufacturers falling in the SME category. The market is still highly import dependent with 77% of the market consisting of imports.

Till now the Medical Devices sector is denominated by either Foreign Medical Devices companies or Indian players in Low-Tech Medical Devices segment, High growth expected through various factors contributing to the growth of overall Indian Healthcare sector,

- a) Underpenetrated market, increase in government healthcare spending, etc.
- b) Commissioning of new hospital beds in tier-2 and tier-3 cities is a key trigger for growth
- c) Government puts proper regulatory system in place- Drugs and Cosmetics Bill 2013 proposes a separate chapter on medical devices and setting up of a Medical Devices Technical Advisory Board
- d) India becomes a preferred R&D and manufacturing hub for world's leading medical device companies

Consumer preference for private health care (65% of in-patients opt for treatment from private providers) and asymmetry of infrastructure and human resources (55% of in-patient beds in public hospitals with 80% of human resources employed by the private sector) necessitates public-private partnership to deliver the universal health coverage "UHC" agenda.

2. Our business

a. Overview

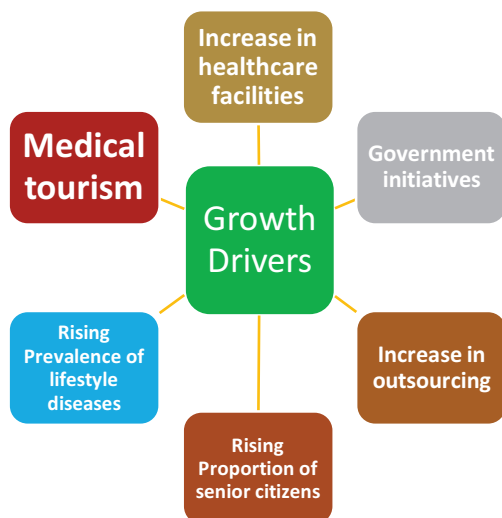
Poly Medicare is in manufacturing and sale of "Disposable Medical Devices" in domestic market as well as in export markets. This unique philosophy has been the driving force behind the company since its inception in 1995. Today it has grown into one of the most dynamically versatile manufacturers of Medical devices globally with over 80 different products. Its manufactures the products using state of the art technology in ultra-modern facilities covering over 3,50,000 square feet of manufacturing floor space with about 80,000 square feet of clean rooms of class 7 to class 8. A tool room with modern facilities and CNC machines supports the manufacturing processes. A high degree of automation and an effective process control helps in delivering consistent product quality.

b. Capabilities

Poly Medicare's core strength is its fully committed, well trained and technically competent personnel. A highly qualified, experienced and motivated management provides guidance and support to the team of over thousands people employed in different activities.

To keep pace with the ever changing requirements of the market, Poly Medicare has a fully staffed and highly equipped R & D section approved by Ministry of Science & Technology, Government of India, to design and develop new and innovative products. Using the latest CAD/ CAM technology, the new product development is fast and improvements, based on market response and customer feedback, are made with ease. Assuring world class products at affordable prices is the hall mark of Poly Medicare. *we Care as we Cure...*

3. Growth drivers



Increase in healthcare facilities:

Increase in healthcare facilities encourages the demand for Disposable Medical Devices.

Increase in outsourcing:

Outsourcing of laboratory trials, R&D as well as manufacturing to India will spur of demand for medical devices.

Government initiatives:

Various initiatives taken by government such as increasing public investment in healthcare, promotion of health insurance and setting up of primary health care centers are

expected to boost the demand for Disposable Medical Devices.

Rising Proportion of senior citizens:

Increasing proportion of senior citizens adds to the use of medical devices and is also boosting the home healthcare market.

Rising Prevalence of lifestyle diseases:

Lifestyle diseases spurs demand for cardiovascular, orthopedic and other such devices.

Medical tourism:

Evolution of India as a medical tourism hub is also leading to higher demand for world class equipments and devices.

The government is expected to develop a regulatory structure leading to quality products being developed by manufacturers. The last few years have seen an increase in domestic manufacturing of medical devices.

Key Challenges Faced by the Sector

- Low Penetration
- Accessibility
- Affordability
- Awareness
- Nascent Regulatory Environment
- Low Indigenous Manufacturing
- No Distinct Status of the Industry
- Need for Quality Benchmarking at par with the Global Standards
- Complex Rules and Guidelines
- High Capital requirement

4. Capex and growth plans

Mahindra SEZ, Jaipur

The company has invested approx. ₹ 25 crore in new manufacturing unit located in Mahindra SEZ, Jaipur during the year. The commercial production at this plant has commenced in May 2014. This will further augment company's capacity and will also strengthen its presence in export markets.

IMT, Faridabad

The company had acquired an industrial land measuring 8100 Sq Mtr. in IMT Faridabad for future expansion plans.

5. Financial performance and review

Sources of Funds

I Share Capital

At present, your company have only one class of share i.e. equity share of face value ₹ 10 each. Authorised share

capital is ₹ 30 crores divided into 3 crore as against ₹ 15 crore divided into ₹ 1.5 crore in previous year, equity shares of ₹ 10 each. The issued, subscribed and paid up capital stood as ₹ 22.03 crore as against ₹ 11.01 crore in previous year. During the year, the company has issued bonus share of ₹ 11.01 crore in 1:1 ratio. Further, the company has also issued 8211 number of equity shares to eligible employees under ESOP Scheme 2011.

II Reserves and Surplus:

Capital Reserve

On standalone and consolidated basis, the balance as at March 31, 2014 amounted to ₹ 46.98 Lacs, same as the previous year.

Securities premium account

The balance as at March 31, 2014 amounted to ₹ 23.98 Lacs, as against ₹ 6.77 Lacs in previous year on standalone and consolidated basis. During the year the company has utilized ₹ 6.77 Lacs for issuance of bonus share and ₹ 23.98 Lacs is added on account of premium on ESOP shares.

Foreign currency monetary translation account

On standalone and consolidated basis, the balance as at March 31, 2014 amounted to (₹ 128.06 Lacs), (Previous year (₹ 148.68 Lacs)).

Employees stock option outstanding account

The balance as at March 31, 2014 amounted to ₹ 41.17 Lacs, as against ₹ 29.56 Lacs in previous year on standalone and consolidated basis. This balance represents amount outstanding against ESOP pending.

General reserves

On standalone and consolidated basis, the balance as at March 31, 2014 amounted to ₹ 6,756.90 Lacs, as against ₹ 6,351.38 Lacs during in previous year after utilization of ₹ 1,094.48 Lacs for issuance of bonus share and further transfer ₹ 1,500.00 Lacs from surplus as against ₹ 1,000.00 Lacs in the previous year.

Surplus

On a standalone basis, the balance retained in the surplus as at March 31, 2014 is ₹ 5,473.01 Lacs, after providing the dividend for the year of ₹ 881.33 Lacs and dividend tax of ₹ 149.78 Lacs thereon and after transfer of ₹ 1,500.00 lacs surplus to General Reserve. The total amount of profits appropriated to dividend including dividend tax was ₹ 1,031.11 Lacs, as compared to ₹ 515.36 Lacs in the previous year. On a consolidated basis, the balance retained in the surplus as at March 31, 2014 is ₹ 5,401.26 Lacs as against ₹ 3,422.99 Lacs in previous year.

Government Grants

On standalone and consolidated basis, the balance as at March 31, 2014 amounted to ₹ 12.23 Lacs, as against ₹ 15.81 Lacs in previous year.

Application of Funds

III Fixed Assets

Additions to gross block

During the year, in standalone, the company has made addition in fixed assets of ₹ 4,492.55 Lacs "out of this ₹ 3145.80 Lacs in Plant and Machinery" as against ₹ 1964.31 Lacs in previous year. On consolidated, the company has made addition in fixed assets of ₹ 4,545.95 Lacs "out of this ₹ 3,197.32 Lacs in Plant and Machinery" as compared to ₹ 1,582.25 Lacs in previous year.

Reductions to gross block

During the year, in standalone the company has sold old vehicle and machinery of ₹ 43.03 Lacs. During the previous year the company has sold old vehicles and discarded unused machines and others of ₹ 62.60 Lacs. In consolidated, the company has sold and amortized the assets of ₹ 239.85 Lacs as compared to ₹ 65.51 Lacs in the previous year.

Capital work in progress

On a standalone and consolidated basis, the capital work in progress of ₹ 1,966.36 Lacs, as at March 31, 2014 as compared to ₹ 799.57 Lacs as at March 31, 2013. This has increased due to commencement of new plant in Mahindra SEZ, Jaipur.

Capital expenditure commitments

On a standalone and consolidated basis, the total capital expenditure commitment of ₹ 2,644.36 Lacs, as at March 31, 2014 as compared to ₹ 2,391.76 Lacs as at March 31, 2013. This is net of capital advances given to various suppliers.

Investments in subsidiaries/associates

During the year, the company has made a 100% provision for diminution in value of investment of ₹ 130.33 Lacs against investment made in subsidiary named U.S. Safety syringes co. LLC, USA, considering no business activity there. Further, the company has received 6900 equity shares having face value 100 LE each from Ultra for Medical Products (UMIC), Egypt as bonus shares.

Deferred Tax Assets/Liabilities

On a standalone and consolidated basis, the company has deferred tax liability of ₹ 797.25 Lacs, as at March 31, 2014

as compared to ₹ 628.95 Lacs as at March 31, 2013. Deferred tax liability is on account of difference in depreciation between Financial Books and Tax Return. Deferred tax assets comprises of retirement benefits, unpaid bonus, preliminary expenditure and provisions which are not tax deductible in the current assessment year.

Inventories

On a standalone basis, inventories amounted to ₹ 3,955.73 Lacs as at March 31, 2014, compared to ₹ 3,287.22 Lacs as at March 31, 2013. These inventories are considered good and valued at lower of cost and net realizable value. This representing 12.66% of the operation revenue as against 13.03% in the previous year. The company has also made adequate provisions of non-moving inventories as per policy approved by Board.

Trade Receivables

On a standalone basis, trade receivables amounted to ₹ 4,556.56 Lacs (net of provision for doubtful debts amounting to ₹ 35.73 Lacs) as at March 31, 2014, compared to ₹ 4233.00 Lacs (net of provision for doubtful debts amounting to ₹ 35.73 Lacs) as at March 31, 2013. These debts are considered good and realizable. This representing 52 days outstanding of sales as compared to 59 days outstanding of sales in the previous year. The debts more than six months comprises of only ₹ 75.91 Lacs (net provisions) against ₹ 88.95 Lacs in the previous year. Provision for Bad and Doubtful Debts as a percentage of revenue is 0.11% for the year ended 31 March, 2014 as against 0.14% in the previous year. On a consolidated basis, trade receivables amounted to ₹ 4,575.37 Lacs (net of provision for doubtful debts amounting to ₹ 35.73 Lacs) as at March 31, 2014, compared to ₹ 4,337.77 Lacs (net of provision for doubtful debts amounting to ₹ 35.73 Lacs) as at March 31, 2013.

Cash and Cash Equivalents

The Cash and Bank balances include both rupee accounts and foreign currency accounts. On a standalone basis, ₹ 1,378.65 Lacs as compared to ₹ 72.79 Lacs in previous year. This year majority bank balances represents amount deposited in EEFC account in the end of the year which was not converted in rupee account. On a consolidated basis, Cash and Bank balances was ₹ 1,382.52 Lacs as compared to ₹ 79.82 Lacs in previous year.

Loans and advances and other non-current assets

The following tables give the details of our long-term and short-term loans, advances and other non-current assets

Long term loans and advances and other non-current assets

Particulars	(₹ in Lacs)			
	Standalone		Consolidated	
	2014	2013	2014	2013
Capital Advances	1,594.55	1,462.83	1,594.55	1,462.83
Security Deposits	49.75	40.41	49.75	40.41
Advance Income Tax (Net of provision)	133.82	0.00	133.82	0.00
Bank Balance held as Margin Money	164.63	96.38	164.63	96.38
Others	7.05	4.16	7.05	3.31
Total	1,949.80	1,603.78	1,949.80	1,602.93

Capital advances represents amount paid in advance on capital goods/project items. Security deposits consist amount paid to Government as deposits for electricity connection, telephone connection etc. and paid against rental space. Bank balances held as margin money represents fixed deposits made against opening of Letter of Credit.

Short Term loans and advances

Particulars	(₹ in Lacs)			
	Standalone		Consolidated	
	2014	2013	2014	2013
Security Deposits (Net of provisions)	37.07	15.77	37.07	15.77
Advances for Goods/Services (Net of provisions)	80.83	106.48	115.52	123.38
Prepaid expenses	95.23	49.66	98.13	57.46
Balance with revenue authorities	717.79	485.77	717.79	485.77
Mat credit entitlement	0.00	137.48	0.00	137.48
Export benefit receivable	468.56	432.80	468.56	432.80
Loans to subsidiary	0.00	133.53	0.00	0.00
Others	437.98	227.39	430.27	231.30
Total	1,837.46	1,588.88	1,867.34	1,483.96

Security deposits paid to various shipping lines for containers security. Advances for goods/services given to various suppliers for supplying of Raw Materials, Packing Materials and other Materials and for various services. Balances with revenue authorities represents centvat credit on inputs which will be adjusted on sale of goods. MAT credit entitlement has been fully utilized against payment of advance income tax. Export benefit receivable represents benefits accrued on export sales which can be sold outright or utilized against payment of duty on imports. During the year the company has received full amount against loan outstanding from one of its' subsidiary. Others comprises of premium on forward contract, advances given to

Poly Medicare Limited
Annual Report 2013-14



employees, interest accrued on bank deposits, service tax and vat refundable, electricity charges etc.

Liabilities:

Long-term liabilities

Particulars	Standalone/Consolidated	
	2014	
	2014	2013
Long term borrowing from banks	3,447.08	2,387.81
Deferred payment liabilities	417.59	28.80
Security deposits from agents	240.76	186.84
Others	0.00	68.80
Total	4,105.43	2,672.25

Long term borrowing from banks is term loan taken against various projects and long term assets. Deferred payment liabilities is on machine bought under scheme of deferred payment. Security deposits from agents represents amount received from agents.

Current liabilities and trade payables

Particulars	Standalone		Consolidated	
	2014		2013	
	2014	2013	2014	2013
Short term borrowing	1,010.13	1,344.92	1,010.13	1,344.92
Current maturities of long term borrowings	1,821.58	1,112.33	1,821.58	1,112.33
Trade payables	2,883.77	2,283.89	2,970.78	2,343.20
Advance from customers	996.27	471.25	996.27	471.25
Statutory dues	234.61	137.63	247.14	137.63
Employees related liabilities	594.92	430.77	621.96	448.51
Others	158.63	304.00	162.91	340.83
Total	7,699.91	6,084.79	7,830.77	6,198.67

Short term borrowing represents cash credit/export credit loan amount taken as working capital. Current maturities of long term loans represents amount repayable within one year from end of financial year which was taken against long term assets. Statutory dues comprising of TDS, Sales Tax, Service Tax etc. payable for the month of March, 2014. Employees related liabilities represents Salary payable, PF and ESI payable for the month of March, 2014.

I Provisions standalone and consolidated:

Particulars	Long term		Short term	
	2014		2013	
	2014	2013	2014	2013
Gratuity	111.05	93.10	12.09	9.47
Leave encashment	54.12	49.48	5.15	3.45
Proposed dividend	0	0	881.33	440.50
Tax on proposed dividend	0	0	149.78	74.86
Others	0	0	2.15	32.17
Total	165.17	142.58	1,050.50	560.45

Provision for gratuity and leave encashment is towards company liability on an actuarial basis. Proposed dividend represents the dividends as recommended by the board of directors. On approval by the shareholders, this will be paid after the annual general meeting. Others represents wealth tax and income tax provisions.

Results of operations:

Broad classification of the statement of Profit & Loss is as follows:

Particulars	Year ended 31 March			
	2014		2013	
	Amount	% age	Amount	% age
Revenue from operations (Net)	31,233.32	99.66	25,223.79	99.85
Other Income	106.20	0.34	36.76	0.15
Total Revenue	31,339.52	100.00	25,260.55	100.00
Cost of Production	15,294.46	48.80	12,347.09	48.88
Gross Profit	16,045.06	51.20	12,913.46	51.12
Research and Development expenses	592.38	1.89	399.49	1.58
Other expenses	8,083.12	25.79	7,361.95	29.14
EBITDA	7,369.56	23.52	5,152.02	20.40
Depreciation and Amortisation	1,351.06	4.31	1,182.06	4.68
Finance Cost	794.87	2.54	589.78	2.33
Profit before exceptional items and tax	5,223.63	16.67	3,380.18	13.38
Exceptional Items	991.46	3.16	0	0
Profit before tax	6,215.09	19.83	3,380.18	13.38
Tax expense	1,911.88	6.10	977.26	3.87
Net Profit	4,303.21	13.73	2,402.92	9.51

Broad classification of the consolidated statement of Profit & Loss is as follows:

Particulars	Year ended 31 March			
	2014		2013	
	Amount	% age	Amount	% age
Revenue from operations (Net)	32,224.82	99.67	25,975.39	99.89
Other Income	105.11	0.33	28.08	0.11
Total Revenue	32,329.93	100.00	26,003.47	100.00
Cost of Production	16,074.28	49.72	12,893.73	49.58
Gross Profit	16,255.65	50.28	13,109.74	50.42
Research and Development expenses	592.38	1.83	399.49	1.54
Other expenses	8133.62	25.16	7516.31	28.91
EBITDA	7529.65	23.29	5193.94	19.97
Depreciation and Amortisation	1,405.50	4.35	1,296.86	4.99
Finance Cost	800.73	2.48	591.99	2.28

Poly Medicare Limited
Annual Report 2013-14



Profit before exceptional items and tax	5,323.42	16.47	3,305.09	12.71
Exceptional Items	991.46	3.07	0	0
Profit before tax	6,314.88	19.53	3,305.09	12.71
Tax expense	1,911.88	5.91	977.58	3.76
Share of profit from associates/loss attributable to minority interest	106.38	0.33	95.46	0.36
Net Profit	4,509.38	13.95	2,422.97	9.32

Revenue from operations

On standalone basis, the company has earned ₹ 31,339.52 Lacs during the year as compared to ₹ 25,260.55 Lacs in previous year having a growth of 24.07% on year to year basis. Approximately 65% revenue comes from export sales and balance 35% from domestic sales.

On consolidated basis, the company has earned ₹ 32,329.93 Lacs during the year as compared to ₹ 26,003.47 Lacs in previous year having a growth of 24.33% on year to year basis.

The Company is primarily engaged in the business of manufacture and sale of "Medical Devices" and, hence, there is no reportable segments as per Accounting Standard-17 issued by ICAI.

On standalone basis, the cost of production is 48.80% which is similar to previous year. On a consolidated basis cost of production is 49.72% as compared to previous year 49.58%.

On a standalone basis, the gross profit during the year is ₹ 16,045.06 Lacs representing 51.20% of total revenues compared to ₹ 12,913.46 Lacs representing 51.12% of total revenues in the previous year i.e. growth in gross profit is 24.25% on year to year basis.

On a consolidated basis, the gross profit during the year is ₹ 16,255.65 Lacs representing 50.28% of total revenues compared to ₹ 13,109.74 Lacs representing 50.42% of total revenues in the previous year i.e. growth in gross profit is 24.00% on year to year basis.

On standalone and consolidated basis, amount invested in Research and Development is ₹ 592.38 Lacs representing approx. 1.89% of total revenues compared to ₹ 399.49 Lacs representing approx 1.58% of total revenues in the previous year. During the year, the company has aggressively taken up various projects for development of new products and processes. The amount invested on these projects will result into launch of new products, considerable saving in cost and increase in revenue in future.

Other expenses

On standalone basis, other expenses comprises selling and marketing expenses, general and administration expenses. During the year, the company has incurred ₹ 8,083.12 Lacs representing 25.79% of revenue as compared to ₹ 7361.95 Lacs representing 29.14% of total revenue. Other expenses includes ₹ 130.33 Lacs on account of provision for diminution in value of investment in subsidiary.

On consolidated basis, during the year, the company has incurred ₹ 8,133.62 Lacs representing 25.16% of total revenue as compared to ₹ 7,516.31 Lacs representing 28.91% of total revenue.

Earnings before interest, tax, depreciation and amortization (EBITDA)

On a standalone basis, the company has earned an operating profit (EBIDTA) of ₹ 7,369.56 Lacs, representing 23.52% of total revenues compared to ₹ 5,152.02 Lacs, representing 20.40% of total revenues, during the previous year, registering 43.04% growth on year to year basis.

On a consolidated basis, the company has earned an operating profit (EBIDTA) of ₹ 7,529.65 Lacs, representing 23.29% of total revenues compared to ₹ 5,193.94 Lacs, representing 19.97% of total revenues, during the previous year, registering 44.97% growth on year to year basis.

Depreciation and amortization

On a standalone basis, the company has provided ₹ 1,351.06 Lacs and ₹ 1,182.06 Lacs towards depreciation and amortization, representing 4.31% and 4.68% of total revenues, for the years ended March 31, 2014 and March 31, 2013 respectively.

On a consolidated basis, the company has provided ₹ 1,405.50 Lacs and ₹ 1,296.86 Lacs towards depreciation and amortization, representing 4.35% and 4.99% of total revenues, for the years ended March 31, 2014 and March 31, 2013 respectively.

Finance Cost

On a standalone basis, the company has provided ₹ 794.87 Lacs and ₹ 589.78 Lacs towards finance cost, representing 2.54% and 2.33% of total revenues, for the years ended March 31, 2014 and March 31, 2013 respectively.

On a consolidated basis, the company has provided ₹ 800.73 Lacs and ₹ 591.99 Lacs towards finance cost, representing 2.48% and 2.28% of total revenues, for the years ended March 31, 2014 and March 31, 2013 respectively.

Exceptional Items

On a standalone and consolidated basis, the company has received one time income of ₹ 991.46 Lacs from one of its' customer towards settlement of a contract.

Provision for Tax

During the year, the company has provided tax liability as per the Indian Statutory corporate tax rate i.e. 33.99%. On standalone basis, the effective rate of tax is 28.42% during current fiscal year as compared to 25.98% in previous fiscal year. The effective rate has increased due to increase in statutory tax rate from 32.45% to 33.99%. The profit before tax of the company has increased by 83.87% on year to year basis and accordingly total tax expense has also increased to 6.10% of total revenue from 3.87% of total revenue in previous year.

On consolidated basis, the effective rate of tax is 27.97% during current fiscal year as compared to 26.58% in previous fiscal year. The effective rate has increased due to increase in statutory tax rate from 32.45% to 33.99%. The profit before tax of the company has increased by 91.07% on year to year basis and accordingly total tax expense has also increased to 5.91% of total revenue from 3.76% of total revenue in previous year.

Net Profit after tax and exceptional item

On a standalone basis, the net profit of the company has increased by 79.08% to ₹ 4,303.21 Lacs for the year ended March 31, 2014 from ₹ 2,402.92 Lacs in the previous year. This represents 13.73% and 9.51% of total revenue for the years ended March 31, 2014 and March 31, 2013 respectively.

On a consolidated basis, the net profit of the company has increased by 86.11% to ₹ 4,509.38 Lacs for the year ended March 31, 2014 from ₹ 2,422.97 Lacs in the previous year. This represents 13.95% and 9.32% of total revenue for the years ended March 31, 2014 and March 31, 2013 respectively.

Earnings per share (EPS) after exceptional item

On standalone basis, the company basic EPS after exceptional item increased by 79% during the year to ₹ 19.53 per share from ₹ 10.91 per share in the previous year. The outstanding weighted average shares used in computing basis EPS were 2,20,28,869 and 2,20,25,000 for the years ended March 31, 2014 and March 31, 2013 respectively. The company diluted EPS after exceptional item increased by 79% during the year to ₹ 19.51 per share from ₹ 10.90 per share in the previous year. The outstanding weighted average shares used in computing diluted EPS

were 2,20,51,822 and 2,20,39,741 for the years ended March 31, 2014 and March 31, 2013 respectively.

On consolidated basis, the company basic EPS after exceptional item increased by 86.09% during the year to ₹ 20.47 per share from ₹ 11.00 per share in the previous year. The outstanding weighted average shares used in computing basis EPS were 2,20,28,869 and 2,20,25,000 for the years ended March 31, 2014 and March 31, 2013 respectively. The company diluted EPS after exceptional item increased by 86.08% during the year to ₹ 20.45 per share from ₹ 10.99 per share in the previous year. The outstanding weighted average shares used in computing diluted EPS were 2,20,51,822 and 2,20,39,741 for the years ended March 31, 2014 and March 31, 2013 respectively.

Dividend Policy

Over the years, the Company has consistently followed a policy of paying high dividends, keeping in mind the cash-generating capacities, the expected capital needs of business and strategic considerations. For 2013-14, the Board recommended a dividend of 40% compared to 20% declared in previous year and has maintained a payout ratio of 23.96% vis-à-vis 21.45% in the previous year.

Liquidity

The company growth has been financed largely through cash generated from operations. On a standalone basis, the net cash generated from the company operations is ₹ 6,494.84 Lacs and ₹ 3,833.16 Lacs for the years ended March 31, 2014 and March 31, 2013 respectively. Net cash used in investing activities is ₹ 5,719.89 Lacs and ₹ 3,006.94 Lacs for the years ended March 31, 2014 and March 31, 2013 respectively. Net cash generated from financing activities is ₹ 535.39 Lacs and (₹ 800.23 Lacs) for the years ended March 31, 2014 and March 31, 2013 respectively. The final net increase in cash and cash equivalent is ₹ 1,310.34 Lacs and ₹ 25.99 Lacs for the years ended March 31, 2014 and March 31, 2013 respectively.

On a consolidated basis, the net cash generated from the company operations is ₹ 6,553.89 Lacs and ₹ 3,883.53 Lacs for the years ended March 31, 2014 and March 31, 2013 respectively. Net cash used in investing activities is ₹ 5,776.23 Lacs and ₹ 3,063.34 Lacs for the years ended March 31, 2014 and March 31, 2013 respectively. Net cash generated from financing activities is ₹ 529.53 Lacs and (₹ 802.44 Lacs) for the years ended March 31, 2014 and March 31, 2013 respectively. The final net increase in cash and cash equivalent is ₹ 1,307.19 Lacs and ₹ 17.75 Lacs for the years ended March 31, 2014 and March 31, 2013 respectively.

Related Party Transactions

All related parties transactions are negotiated on an arm's length basis and are in the interest of the company. A detailed discussions have been reported in the Notes to the standalone and consolidated financial statements section of this Annual Report.

Events occurring after the Balance sheet date

No significant events occurred after the Balance Sheet date.

6. Opportunities and threats

Our strengths

- In-house R & D facility enables the company to develop new products from design to production in a short span of time
- Wide Product Range with expertise in handling different kind of plastic materials
- Rapid prototyping, process validation and customization of products done in-house
- Highly experienced & trained manpower consisting of team of over 70 Engineers
- Presently having more than hundreds Injection Molding Machines and twenty Extrusion lines across all facilities
- Experience in mass production of quality Medical Devices at competitive cost
- Manufacturing facilities in lowest operational cost areas like India, China and Egypt
- Strong manufacturing base for an OEM production of Medical Devices with Clean Room facilities across all plants

Our strategy

Innovation, Safety and Quality – These are the values that define who we are and what we do. Sustainability in the broad sense-support for long term environmental, economic and social progress is the guiding principle of all our actions. This strategy is designed to deliver sustainable growth, deduce risks and improve long term financial performance and create wealth to stakeholders.

The Company's strategy for long-term growth is based on continuing to scale-up of manufacturing facility, strengthen core business and grow in new areas of business.

The Company has a matured set of elements of strategy, which have evolved over time. There is a structured attempt by the Company to look for new dimensions of growth within these elements.

Key elements of the Company's growth strategy are:

- Full line of products under Medical Devices
- Safety feature in products

- High Quality Product at minimum costs to patients
- Products with user friendly feature

The Company continues to look for new base to strengthen customer relationship, extend product range by continuously introducing new products and continuously improve process to raise the delivery promise to customers. The Company believes in strong focus on execution of strategy to deliver long-term growth.

7. Important developments in human resources/industrial relations, including number of people employed

HR Policy

A Spark in everyone's eye, passion in everyone's heart, eliminating fear and making every one equally capable of adopting world's best practices.

In pursuance of the above philosophy and in order to optimize utilization of human resources in the Company, the Company is committed to the following:

- To plan and induct appropriate manpower in terms of knowledge, skill and attitude
- To provide opportunity for growth to employees, in terms of remuneration, career and skill development and for attracting and retaining talent
- To value individual's dignity and respect the time and efforts put in by employees
- To support innovation and well reasoned risk taking by employees, aimed at growth and development of the Company and employees
- Maintain a healthy and harmonious relationship with the employees and their family, built on mutual trust, respect, value system and transparency in dealings with them
- To practice equity and fairness in all its dealings with employees
- Not to use child labour and forced labour in any form
- To continuously enhance knowledge and skill of employees at all levels for the performance of their present and future tasks, through education and training and towards building a high performance culture which is globally competitive
- To create an organizational climate to have motivated workforce, enhance productivity and quality of life of employees and their family

Human capital

Poly Medicare firmly believes that growth of core and fringe stakeholders will foster its growth opportunities. Poly

Medicare aims to develop the potential of every individual associated with the Company as a part of its business goal.

As on 31st March, 2014, 1478 employees are on Poly Medicare's payroll. The current workforce breakdown structure has a good mix of employees at all levels.

Respecting the experienced and mentoring the young talent has been the bedrock for Poly Medicare's successful growth. Poly Medicare's employees' age bracket represents a healthy mix of experienced and willing-to-experience employees.

During the year, focus has been on transforming five areas of Organizational Hierarchy, Performance Management, Differentiated Rewards, Delegation of Authority, and HR Model.

Training and development

Poly Medicare strives to keep its employees updated with the latest cutting edge developments in their fields of work and promote them to take up new challenges outside their familiar domains. Cross-functional learning and developing managerial capabilities is the crux of Poly Medicare's learning agenda.

An Employee induction Centre was conceptualized, designed & constructed, and operations commenced to impart compulsory induction and product training to all new recruits. A number of innovative training methodologies and tools are being used in the center.

The broad categories of training include:

- Behavioral
- Functional/Domain
- Business related

During the Year, the Company conducted a number of Internal Training Programmes viz. (i) Product Trainings (ii) 8th Habits of Highly Effective People (iii) Leadership (iv) Save the Planet (v) Supervisory Skills (vi) Team Work, Time Management and Communications (vii) Positive Attitude (viii) Fire Safety (ix) Security Safety (x) Electricity Safety and Hazards (xi) 5S & Kaizen (xii) 7 QC Tools (xiii) Basic Operational and Safety on Moulding Machines (xiv) Moulding Operation Excellence (xv) Fundamentals of Moulds (xvi) ERP Training (xvii) Good Manufacturing Practices (xviii) ISO (International Organization for Standardization) Training (xix) Lean Manufacturing (xx) Meditation (xxi) Product Training (xxii) GMP (xxiii) FMEA.

Several External Trainings were organized for upgradation of skills of the employees like (i) Employee provident fund organization initiatives – ways to solve the crisis of

simplification & EPF impact, (ii) Selecting the right person through psychometric assessment, (iii) Making Organisation competitive through Kaizen & 5S, (iv) Time & Stress Management, (v) Finance to Non-Finance Professionals, (vi) Negotiation Skill for Business Success, (vii) Project Management, (viii) Success through value based leadership, (ix) Contractual Labour -A challenge in its Management & Implementation, (x) Workshop on Value Engineering

The learning and development team focused on developing and imparting training to implement elements of Employee Value proposition that was created last year.

Several activities including Kaizen, Key Results Area (KRAs) and other programmes of Team Building were organized among various levels of the employees to bring work life balances and improve work quality. Effective Cost saving measures have become a major part of the employee work profile.

8. Business of subsidiary and associates company

The Company is having two subsidiaries and one associate company and their performance as follows:

- Poly Medicare (Laiyang) Co. Ltd., China: 100% owned by Poly Medicare, manufacturing of Medical Devices achieved the Turnover of ₹ 951.50 Lacs as on March, 2014 against ₹ 751.84 Lacs in the corresponding previous year.
- US Safety Syringes Co., LLC, USA: 75% owned by Poly Medicare, did not have any business activity and accordingly Poly Medicare has provided a provision for diminution in value of investment of this company during the current year.
- Ultra for Medical Products, Egypt: This is an associate company and doing business in Medical Devices. It has achieved a sale of ₹ 3930.91 Lacs as against ₹ 3499.45 Lacs during December, 2013 and December, 2012 respectively, i.e. growth in sales is 12.33% on year to year basis.

9. Innovation, Research and Development

Innovation is not only important for organizational sustainability, but also vital for long-term value creation. Innovation can happen as one all-encompassing stroke or in small incremental steps, both of which can take the business to the next level.

Research & Technology and innovation are two key focus areas to enhance Poly Medicare's value creation, identifying new platforms for its sustainable growth. Poly Medicare development center for research and technology activities,

focuses on (i) new products, processes and catalyst development to support existing business, and create breakthrough technologies for new businesses and (ii) advanced troubleshooting, support to Capital projects and profit and reliability improvements in manufacturing processes.

Several projects in the following areas have been completed or are on-going across the manufacturing facilities:

- Product development and improvements
- Process development and improvements
- Energy efficiency
- Enhancing product value to customer
- Automation technologies
- Quality upgradations
- Develop new products and processes for benefiting the end users and also Medical Staff/ Healthcare Providers.

R&D efforts have helped the Company in strengthening its position in domestic and international markets. We have achieved global leadership in selected segments of our business and generated own Intellectual Property Rights (IPRs) to provide competitive edge, backed by development of new products. Impressive growth has been witnessed in exports supported by competitiveness in both cost and quality.

10. Internal control systems and their adequacy

Poly Medicare's Board of Directors is responsible for the direction, its governance principles as well as the establishment of a system of internal control to mitigate material business risks. The Executive Committee is responsible for the design and operation of the System of Internal Control which includes Risk Management and Internal Control frameworks and for reviewing its effectiveness.

The System of Internal Control is designed to manage the risks that may prevent business from achieving its business objectives and to provide reasonable assurance that all material misstatements frauds or violations of laws and regulations will be prevented. The Company system of internal control which includes:

- a) Governance Structures and Policies
- Establishing and communicating a common vision, mission, values and strategies by top management
 - Establishing appropriate performance management systems and processes to drive the achievement of Company objectives

- Establishing expected and acceptable behaviors while pursuing the achievement of business objectives through a code of conduct
- Delegation of authorities which establishes levels of autonomy at the various levels in the organization

b) Risk Management and Internal Control

- Policies and procedures which codify requirements with respect to the management of risks and opportunities
- Risk management processes which manage the key business risks
- Operational controls embedded within the business processes to enable the achievement of business objectives
- Information systems which support the decision making processes at all levels of the organization

c) Independent Internal Audits which covers all operational and financial areas

d) Internal Control frameworks are designed and implemented to manage, rather than completely eliminate the risk of failure to achieve business objectives.

11. Risk management

Poly Medicare encourage its people to identify and seize opportunities. The current economic environment in combination with significant growth ambitions of the Company carries with it, an evolving set of risks. Poly Medicare recognizes that these risks need to be managed to protect its customers, employees, shareholders and other stakeholders to achieve its business objectives and enable sustainable growth. Risk and opportunity management is therefore a key element of the overall company strategy. The company has introduced several improvements to integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and internal audit activities.

The process for formulating a defined risk assessment framework encompassed, inter-alia, a methodology for assessing and identifying risks on an ongoing basis, risk prioritizing, risk mitigation, monitoring plan and comprehensive reporting on management of enterprise wide risks.

This section provides an overview of the key strategic risks, the company risk & control framework, and its approach to risk management.

Strategic Risks

Poly Medicare manages strategic risks in the pursuit of profitable growth in both domestic and export markets. The company financial performance is subject to the fluctuation in foreign currency. While company seeks to compete on the basis of product differentiation. It is therefore important to manage its costs to ensure it has an edge in pricing over its competitors.

Poly Medicare is one of the leading brands in Medical Devices, hence its brand and reputation is an important asset. The Company has defined the Code of Conduct and Operating Model that governs how all employees in Poly Medicare operate. Compliance with these codes of conduct, organizational policies and other regulatory compliances and governance requirements are key to protect Poly Medicare's reputation.

Operations Risks

The changing technologies and the natural ageing of existing facilities pose the risk of production facilities becoming obsolete and uneconomic. Aged equipments are prone to unplanned shutdowns and increased maintenance and operating costs. Deployment of new technologies and on-going maintenance processes are key to enhancing the reliability of operations and reduction in operating costs while improving the safety of operating conditions while extending the useful life of assets.

Financial Risks

The company treasury risks include, amongst others, exposure to movements in interest rates and foreign exchange rates. The company is exposed to fluctuating US dollar and Euro prices. While a majority of the Company's purchases, sales and term loans are denominated in US dollars, the Company is exposed to currency risk. To mitigate this, the company is having currency hedging policy and practices in place and this hedging strategy is monitored by risk management committee through regular reviews.

Poly Medicare borrows funds in Rupee and Foreign currency to meet long-term and short-term funding requirements. It is subject to risks arising from interest rate fluctuations both in LIBOR and Rupee based interest rates since majority of Poly Medicare's borrowing are floating rate debts.

Manpower Risks

To access and retain the best manpower which can produce good performance is found to be highly problematic in the prevailing human resources environment. The needs for efficient manpower are growing phenomenally in all the sectors of the economy. It has become highly uncertain to induct best talent and retain it. The Company places considerable emphasis on development skills, build employee motivation and inculcating leadership at all levels. There is concerted focus on building right capabilities in current and new business through identification and induction of talent intensive trainings and career development of employees at all levels.

Compliance Risks

The evolution of the regulatory environment across the globe has resulted into increased regulatory scrutiny specially in Healthcare and Medical Devices sector. This signifies the alignment of corporate performance objectives, whilst ensuring compliance with regulatory requirements. Poly Medicare recognizes that regulatory requirements can be both a threat and a source as competitive advantage and therefore it will:

- Strive to understand the changing regulatory standards so as to strengthen its decision making processes and integrate these in its business strategy of each of the industries in which it operates
- Drive business performance through the convergence of risk, compliance processes and control mechanisms to ensure continued operational efficiency and effectiveness
- Exploit significant opportunities arising out of changing regulatory landscape to realign business processes and strategies

12. Value creation

Poly Medicare is a leading manufacturer of "Medical Devices" and selling the products across the globe. Poly Medicare has been demonstrating agility and adaptability in providing innovative product solutions, powered by best in class processes and engaged workforce.

While relentlessly pursuing holistic excellence, Poly Medicare has generated significant wealth for all its stakeholders. The wealth so created has been judiciously allocated and shared with all its stakeholders during its existence as a listed company. The performance over the last decade brings out the story of Poly Medicare creating its own high standards of value creation.

13. Award and recognitions

- Shri J. K. Baid received the Certificate of Appreciation from Mr. Bill Clinton, former President of USA, for contribution to Akshya Patra, NGO in serving the children with nutritious hot cooked meal in Government schools.
- Shri J. K. Baid received the Most Innovative Business award form Business Rankers.
- Shri Rishi Baid received the National award for Technology Innovation in Downstream Plastic Processing Industry from Shri Ananth kumar, Hon'ble Minister for Chemicals & Fertilizers, Government of India.
- Shri Rishi Baid received the National Award for Research & Development from Honorable Minister, Mr. K.L Muniyappa.
- Shri V. K. Khera received the Export Award in the category of Plastic Medical Disposables items for the highest export sales in FY 2011-12 and 2012-13 from the Plastic Export Promotion Council.
- Certificate of Appreciation for developing the Patents for Medical Devices received from Pharmaceutical Export Promotion Council of India for the Year 2012-13.

availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

14. Focus for next year

The focus for FY 2014-15 will be to continue with the delivery momentum and begin full deployment of transformed business processes for "Medical Devices" including all support functions, and wave to scope of the HR Transformation scope which will focus on talent management processes. The Company is further allocating additional resources in research and Developments in terms of manpower and funds to increase the range of products. When fully deployed, all of these transformation projects will create a foundation to support and enable us to propel and be ready for the next phase of growth. The future prospect of Medical Devices Sector looks reasonable, bright and demanding because of more allocation of Funds on development on Healthcare Services and facilities and more awareness being created.

15. Cautionary statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling process of finished goods, input

Annexure-III

A. Conservation of Energy

The Company has considered sustainability as one of the strategic priority across all process. The company has been consciously making efforts year on year towards improving the energy performance. Energy efficiency improvement initiatives have been implemented across all the Plants and Offices.

(a) During the year, the Company has taken the following initiatives for conservation of energy:

- i. Effective effluent and sewerage treatment, recycle and reuse of water,
- ii. Reduce, renew, recycle of waste and eco-friendly water disposal,
- iii. Use of Turbo Ventilators in place of electric exhaust fans resulting in conservation of energy,
- iv. Replacement of conventional lamps/lights with LED lamps/lights,
- v. DG Set voltage optimization and power factor improvements,
- vi. Cycle time reduction in various manufacturing processes through introduction of new technology and kaizens,
- vii. Energy conservation week drive at all Plants,
- viii. Air audit conducted time to time to plug air leakages.

b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

- i. Purchasing of power from open access at Faridabad location instead of running DG resulting in diesel consumption reduction and cost savings,
- ii. Installation of 11KVA independent dedicated power line to get the constant power which reduces diesel consumption in DG Sets,
- iii. Installation of LED lights on all new places instead of conventional lights,
- iv. Installation of Online UPS for all critical Machines to reduce wastage of Raw Materials, and
- v. Installed energy efficient Chillers to reduce energy consumption.

(c) Impact of measures in (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures helped in reduction of power consumption and shall continue to help in reduction of power & fuel, air and water consumption.

(d) Total energy consumption percent of production - As per Form - 'A' attached.

B. Technology Absorption

Efforts made in technology absorption - As per Form - B' attached.

C. Foreign Exchange Earnings and Outgo

Activities relating to export, Initiative taken to increase exports, development of new products and service and export plans:

The Company continues to keep its focus on widening of new geographical area to augment its exports. The Company is regularly participating in major overseas exhibitions, which are very helpful in improving the visibility of various products in International markets and widening its customer base.

Foreign Exchange used and earned

	Particulars	2013-14	(₹ in lacs) 2012-13
(a)	Foreign Exchange Used	10,562.36	6,664.68
(b)	Foreign Exchange Earned	21,440.09	15,452.59

FORM-A

Form for disclosure of particulars with respect to conservation of energy during the year

	PARTICULARS	31.03.2014	31.03.2013
A.	POWER AND FUEL CONSUMPTION		
	1. Electricity:		
	a) Purchased Unit (Kwh)	130,22,764	95,52,385
	Total Amount (₹ in lac)	853.47	566.31
	Rate/Unit (₹)	6.55	5.93
	b) Own Generation:		
	i) Through Diesel Generator		
	Units Generated (Kwh)	12,68,301	33,54,985
	Units per liter of Diesel Oil	3.00	3.10
	Cost per unit (₹)	16.61	13.31
	ii) Through furnace Oil Generator/ Steam Turbine/Generator (Unit-Kwh)	-	-
	Units Generated (Kwh)	-	-
	Units per liter of Diesel Oil	-	-
	Cost per unit (₹)	-	-
	2. Coal (Specify quality and where used):	-	-
	Quantity (Tonnes)	-	-
	Total Cost (₹ In Lac)	-	-
	Average Rate (₹/Tonne)	-	-
	3. Diesel/Furnace Oil:		
	(a) Diesel:		
	Quantity (K. Ltrs)	422.89	10,80.91
	Total Cost (₹ in lac)	210.68	446.55
	Average Rate (₹/K. Ltrs)	49,819	41,312
	b) Furnace:		
	Quantity (K. Ltrs)	-	-
	Total Cost (₹)	-	-
	Average Rate (₹/K. Ltrs)	-	-
	4. Other internal Generation:		
	Quantity (K. Ltrs)	-	-
	Total Cost (₹)	-	-
	Average Rate (₹/K. Ltrs)	-	-
B.	CONSUMPTION PER UNIT OF PRODUCTION		
	Products- Medical Devices and Components (Nos. in lac)	5,534.32	3,974.09
	Electricity (Kwh) per Lac Nos.	2,582.26	3,247.88
	Furnace Oil (Ltrs.) / Coal / Others	-	-

FORM B

Research & Development

1. Specific Area in which R&D carried out by the Company

During the year, the R&D Centre of the Company was engaged in supporting all the businesses through innovations and undertook multifold research activities including:

- Carrying out ongoing research,
- Introducing new products in existing production lines,
- Developing new analytical methods,
- Developing new design and products based on customer/market requirements,
- Application of New Raw Materials for better performance of the products,

- Development of cost effective process for manufacturing of medical devices,
- Quality up gradation of existing medical devices,
- Optimization of products and processes to minimize waste generation and reduce environment and safety concerns,
- Import substitution and identification of new raw materials for development,
- Development of new design, processes and models,
- Evaluation and development of new sources for various materials, and
- Development of new techniques in making process improvements.

2. Benefits derived as a result of the above R&D

The Research and Development activities are coordinated in fully equipped Research and Development division. Some of the benefits derived as a result of Research and Development are as follows:

- Development and commercialization of new products,
- Constant up gradation and adoption of new technology has benefited the Company in form of better production processes, yield and quality,
- Reduction of cycle time in manufacturing process and material consumptions,
- Indian and International Patent filings for Protection of Intellectual Property generated through R&D activities,
- Internationally competitive prices and product quality,
- Improved Productivity /Process efficiencies,
- Significant quality improvement in existing products, and
- Enhanced Global presence/visibility.

3. Future plan of action

Your Company considers the importance of development of technical capabilities to sustain its competitive position in the market place. In order to address the needs of the customers in a rapidly changing market palace, the Company will continue to strengthen its technical programmes and the skills of its technical personnel. Some of the future plans are as follows:

- Commercialization of new products for which the products are under trials at development stage. Several new products have been identified after a thorough study of the market and the process to manufacture these products will be developed through R&D,
- Continuing Strengthening the Research Infrastructure and capabilities complying international norms,

- iii. Continue to develop cost effective and environment friendly processes for manufacturing of high quality Medical Devices,
- iv. Continuing augmenting R&D capabilities and productivity through technological innovation, use of modern scientific and technological techniques, training and development, benchmarking and global networking,
- v. Explore new area of technology for providing low cost solutions to customers, and
- vi. Enhance National and International Research networking and strategic alliances.

products manufactured by it. As soon as the technology is developed for a product, it is tested by Research and Development division and thereafter commercial production is taken up. It is the philosophy of the Company to continuously upgrade the technology.

2. Benefits derived as results of the above efforts:

New products were developed and commercialized during the year. Efforts in process optimization led to cost reduction. This helped the businesses to remain cost competitive. Batch sizes and cycle times were optimized for better efficiency and manufacturing equipments were modified for overall improved productivity.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year), following information may be furnished:

(₹ in Lacs)			
	Expenditure on Research & Development	Year Ended 31.03.2014	Year Ended 31.03.2013
(a)	Capital	98.11	50.54
(b)	Revenue	592.38	399.49
	Total	690.49	450.03
	Total Research and Development Expenditure as percentage of total turnover.	2.18%	1.75%

a) Technology Imported.	No Imported Technology
b) Year of Import.	
c) Has the technology been fully absorbed.	
d) If not fully absorbed, areas where these has not being taken place, reasons thereof and future plans of action.	

Technology Absorption, Adaption and Innovation

1. Efforts in brief made towards technology absorption, adaption and innovation:

The Company has full-fledged Research and Development division which is continuously engaged in Research and Development of new & existing products and processes. The Company has also developed indigenous technology for the

Annexure-IV

Statement pursuant to Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of employees) Rules, 1975

Name	Designation	Qualification	Age	Gross Remuneration (₹ in Lacs)	Total Experience (Yrs.)	Date of commencement of employment	Last employment
Shri Himanshu Baid	Managing Director	Electronics Engineer	46	284.17	26	20/09/1996	Hanuman Tin Factory Manager
Shri Rishi Baid	Executive Director	BSME, MSME	42	278.79	21	01/08/1997	Miles Pharma Inc. USA Engineer

Notes:

1. Remuneration includes, salary, allowances, Company's contribution to Provident Fund, Commission, Retirement benefits and monetary value of perquisites.
2. The nature of employment in all cases is contractual. The other terms and conditions are as per the Company's Rules.
3. Shri Himanshu Baid is related to Shri Jugal Kishore Baid, Director and Shri Rishi Baid, Executive Director.
4. Shri Rishi Baid is related to Shri Jugal Kishore Baid, Director and Shri Himanshu Baid, Managing Director.

For and on behalf of the Board of directors

New Delhi
30th July, 2014

D.R. Mehta
Chairman

Himanshu Baid
Managing Director

REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and the National Stock Exchange (NSE) and some of the best practices followed on Corporate Governance, the Report covering the details of Corporate Governance systems and procedures at Poly Medicare Limited is as follows:

The Company's Frame Work and Guidelines on Corporate Governance

Corporate Governance is a set of systems, procedures and principles, which insure that the Company is governed in the best interest of all stakeholders. It is about promoting fairness, equity, transparency, accountability and respect for laws. The aim of Good Corporate Governance is to manage affairs of the Company in a transparent manner in order to maximize long term value of the Company for the benefit of its shareholders and all other stakeholders.

At Poly Medicare Limited, Corporate Governance is an ongoing process and the Company continuously strives to improve upon its practices in line with the changing demands of the business environment. These governance structures and systems are the foundation that provides adequate empowerment across the organization helping leverage opportunities for rapid sustainable growth for the Company. The Company believes that the practices create the right corporate culture that fulfils the basic objectives of good Corporate Governance.

Corporate Governance rests upon the four pillars of transparency with full disclosures, empowerment down the line, independent monitoring and fairness to all stakeholders. In its pursuance of Corporate Governance and policies, the Company has always strived to promote healthy corporate structure and practices, which ensure that:

- A competent management team is at the helm of the affairs,
- The Board is strong with an optimal combination of Executive & Non-Executive (including Independent) Directors, who represent the interest of all the stakeholders,
- The Board is effective in monitoring and controlling the Company's affairs and
- The management and employees have a sustained working environment.

Best Governance Practices

The Company maintains the highest standards of Corporate Processes and Practices. It is the Company's constant endeavor to review and improve upon them. Some of the best implemented global governance norms include the following:

- The Company has a designated Lead Independent Director with defined roles
- The Company's internal audit is conducted by Independent Auditors
- The Company's secretarial audit is conducted by an Independent Company Secretary who is in whole-time practice. Quarterly Secretarial Audit Reports are placed before the Board and his Annual Secretarial Audit Report for the financial year 2013-14 is also included in the Annual Report

Proactive review of Governance practices and standards

As stated, the Company proactively reviews its governance and standards inter-alia considering best practices and regulatory developments. During the year, under review, the following significant developments took place on the governance front:

Constitution of Corporate Social Responsibility Committee: considering the work being done by the Company on the social front, the Company's Board has constituted a "Corporate Social Responsibility Committee". The Committee is primarily responsible for formulating and monitoring the implementation of the Corporate Social Responsibility Policy.

Nomination & Remuneration Committee: The Board of the Company has constituted a Nomination & Remuneration Committee to lay down Remuneration policy for the Non-Executive Directors, Whole time Directors, and Top Management Employees of the Company and to nominate induction of new directors, while adhering to the requirements of the Companies Act, 2013/Clause 49 of the Listing Agreement, as amended from time to time.

ESOP Compensation Committee: The committee was constituted on 22nd May 2011 and the committee formulated the Employee Stock Option Plan, 2011 (ESOP 2011) as per provision of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 199 as amended from time to time.

Audit Committee: The roles & responsibilities of the Audit committee have been extended as per the requirement of SEBI directives, to review and effectively monitor internal financial controls.

Stakeholders' Relationship Committee: The Board has constituted Stakeholders' Relationship Committee in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of Shareholders'/Investor Grievance Committee have now been made applicable to the Stakeholders' Relationship Committee and, consequently, the Shareholder/Investor Grievances Committee was dissolved.

The Board of Directors (BOARD)

Composition of the Board of Directors

The Board of Directors of the Company has an optimum combination of executive and non-executive directors. The present strength of the Board is nine directors. Non-executive directors bring independent judgment in the Board's deliberations and decisions. There are two executive and seven non-executive directors. The Board of Directors is headed by Shri Devendra Raj Mehta, Non-Executive, Independent Director and Chairman of the Company. The number of Non-Executive Independent Directors on the Board meets the 'Composition Criterion' as laid down by the Companies Act, 2013 and SEBI.

Shri D. R. Mehta

Shri Devendra Raj Mehta (age 77 years) is a Law and Economics Graduate and is a retired I.A.S. Officer. He has held high positions including Chairman of Securities and Exchange Board of India (SEBI), Dy. Governor of Reserve Bank of India (RBI), Director General of Foreign Trade (DGFT) etc. He has over 44 years of rich experience in civil services and has held various positions in the Government of Rajasthan and Government of India. He has vast knowledge and experience in the field of Finance, Corporate Laws, Management, Economics and Capital Markets. He is an alumnus of Alfort Sloan School of Management, M.I.T. Boston (USA) and Royal Institute of Public Administration, London (UK).

Dr. Sohan Raj Mohnot

Dr. Sohan Raj Mohnot (age 85 years) is Ph.D., C.M.C., F.I.M.C.I., F.I.S.T.D. He is an eminent economist and is an international management consultant. He has more than 53 years of rich experience in the field of Economics and Management Consultancy. He had worked with the United Nations Industrial Development Organization (UNIDO) and United Nations Development Programme (UNDP) as Industrial Economist and Team Leader. He is also the Chairman of Centre for Industrial & Economic Research (CIER) and President Emeritus of Indian Society of Training and Development. He has authored widely acclaimed

books on management and economics and chaired international conferences in India and abroad.

Shri Jugal Kishore Baid

Shri Jugal Kishore Baid (age 72 years) a Non- Executive Director of the Company is the promoter & founder of the Company. He is a qualified Mechanical Engineer from BITS, Ranchi and has over 46 years of rich experience. He has undergone various industrial training programmes with large and medium sector engineering companies. In 1967 he joined Hyderabad Allwyn Metal Works as a production engineer. In 1970, he joined his family business, M/s Jai Industrial Works, presently known as Jai Polypan Pvt. Ltd. In 1988, he pioneered in setting up rotational molding technology for the first time in Rajasthan to manufacture multilayered and foam-filled water storage containers under the popular brand name, "POLYCON". He is related to Shri Himanshu Baid, Shri Rishi Baid and Smt. Mukulika Baid, Directors of the Company.

Shri Prakash Chand Surana

Shri Prakash Chand Surana (age 67 years) a Non-Executive, Independent Director was appointed as Director on the Board from 22nd day of September, 1997. He is a Chartered Accountant by profession and has 42 years of rich experience in the field of Taxation and Corporate Laws.

Shri Yeshwant Singh Choudhary

Shri Yeshwant Singh Choudhary (age 71 years) a Non-Executive, Independent Director is post graduate in Electronics from BITS Pilani. He has got 45 years of rich experience in managerial positions, project planning & implementation and Financial Management. He served in various Public Limited Companies and was holding very prestigious positions. Currently, he is working as a CEO of M/s Himachal Futuristic Communications Limited (HFCL).

Dr. Shailendra Raj Mehta

Dr. Shailendra Raj Mehta (age 55 years) is a Visiting Professor of Business Policy at the Indian Institute of Management, Ahmadabad and Academic Director of Duke Corporate Education (or Duke CE, the custom corporate education arm of Duke University in the US). He has strong research interests in the areas of Technology Strategy, Entrepreneurship and Simulation. His research on Simulation has resulted in the creation of Hi-tech Company and a US patent. He has taught/ rendered consultancy to senior leaders worldwide of IBM, Microsoft, Infosys, State Bank of India and others. Prior to returning in India in 2006 to set up collaboration between IIM-A and Duke CE, he taught Economics and Strategy for many years at Purdue

University. His BA and MA are from Delhi University, M. Phil is from Balliol College Oxford and Ph.D. in Economics from Harvard University.

Smt. Mukulika Baid

Smt. Mukulika Baid (age 64 years) has been appointed as a Non-executive Director with effect from 30th July, 2014. She is a Graduate and has 15 years' experience as a Director in M/s Jai Polypan Pvt. Ltd. She also has experience of rendering assistance in the business of her husband, Shri Jugal Kishore Baid. She is also associated with several non-profit organizations for rendering social service. She is related to Shri Jugal Kishore Baid, Shri Himanshu Baid and Shri Rishi Baid, Directors of the Company.

Shri Himanshu Baid

Shri Himanshu Baid (age 46 years), Managing Director of the Company is an Electronics Engineer. Immediately after completion of engineering degree, he was associated with manufacturing facility of Philips Communications Industry AG, Nuremberg, Germany. In a career spanning over the years, he has held several eminent responsibilities including Chief Executive (Marketing) of Polycon International Limited and looked after day to day techno-commercial affairs of that Company. He has been associated with the Company from its inception. He is related to Shri Jugal Kishore Baid, Shri Rishi Baid and Smt. Mukulika Baid, Directors of the Company.

Shri Rishi Baid

Shri Rishi Baid (age 42 years), Executive Director of the Company is B.S.M.E and M.S.M.E. (Mechanical) from West Virginia University, U.S.A. He has also served in Miles Pharma Inc. USA. He has been associated with the Company from its inception. He is related to Shri Jugal Kishore Baid, Shri Himanshu Baid and Smt. Mukulika Baid, Directors of the Company.

Number of Board Meetings

During the financial year ending 31st March 2014, the Board of Directors met Six times on 13th May, 2013, 29th June, 2013, 31st July, 2013, 27th September, 2013, 28th October, 2013 & 25th January, 2014. The maximum time gap between any two consecutive meetings did not exceed four months. The names, designation & categories of the Directors on the Board, their attendance at respective Board Meetings held during the year and last Annual General Meeting and total number of Shares held by them in the Company are as under:

Details of the Board of Directors

Name of the Directors	Category of Directorship	No. of Board Meetings attended /held	Last AGM Attended	No. of Directorship in other Companies	Committee Positions* Member Chairman		No. of Shares as on 31 st March, 2014
Shri D.R. Mehta (DIN: 01067895)	Non Executive Independent Director	5/6	Yes	9	-	4	NIL
Dr. S.R. Mohnot (DIN: 00006889)	Non-Executive Independent Director	5/6	Yes	6	2	5	24,000
Shri J.K. Baid (DIN: 00077347)	Non-Executive Director	5/6	Yes	1	-	-	5,69,844
Shri P.C. Surana (DIN: 00361485)	Non-Executive Independent Director	5/6	Yes	5	4	-	8,000
Shri Y.S. Choudhary (DIN: 00006906)	Non-Executive Independent Director	6/6	yes	1	4	-	4,000
Dr. S.R. Mehta (DIN: 02132246)	Non-Executive Independent Director	5/6	Yes	2	3	-	NIL
Shri Himanshu Baid (DIN: 00014008)	Managing Director	6/6	Yes	4	4	-	20,18,656
Shri Rishi Baid (DIN: 00048585)	Executive Director	6/6	Yes	1	2	1	24,56,512

*Chairmanship/Membership of Audit Committee and Shareholders' Grievance Committee in Public Companies including Poly Medicare Limited have been considered. Video/Tele-conferencing facilities are used to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings.

Institutionalized Decision-making Process

The Board of Directors is the apex body constituted by the shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic direction, management policies and their effectiveness and ensure that the Stakeholders' long term interests are being served.

Board Independence

The Company's definition of "Independence of Directors" is derived from Clause 49 of the Listing Agreement with Stock Exchange and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on the evaluation of the relationship disclosed, all the independent Directors have been qualified as Independent Director under Section 149(6) of the Companies Act, 2013.

Scheduling and Selection of Agenda Items for Board Meetings

The Company's various business heads/service heads are advised to schedule their work plans well in advance particularly with regard to matters requiring discussion/approval/decision at Board/Board Committees meetings. Such matters are communicated by the Company Secretary

in advance so that the same are included in the Agenda for Board/Board Committee Meetings.

The Board is given presentations covering Finance, Sales, Marketing, the Company's major operations, overview of business operations of major subsidiary companies, global business environment, the Company's business areas, including business opportunities and strategy and risk management practices before taking on record the Company's quarterly/annual financial results.

The items/matters required to be placed before the Board, inter-alia, include:

- Annual Operating Plans of Businesses and budgets including Capital Budgets and updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Company's Annual Financial Results, Financial Statements, Auditors' Report and Board Report's.
- Minutes of meeting of the Audit Committee and other Committees of the Board.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any Joint Venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity of intellectual property.
- Significant labor problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like implementation of Voluntary Retirement Schemes.
- Sale of material investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of Foreign Exchange exposures, and steps taken by management to limit risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirement and Shareholders' service, such as dividend non-payment, share transfer delay (if any), among others.
- Appointment, remuneration and resignation of Directors.
- Formation/ reconstitution of Board Committees.
- Terms of reference of Board Committees.
- Minutes of the Board Meeting of unlisted subsidiary companies.
- Declaration of Independent Directors at the time of appointment/annually.
- Disclosure of Directors' Interest and their shareholding.
- Appointment or removal of the Key Managerial Personnel (KMP) and officer's one level below KMP.
- Appointment of Internal Auditors and Secretarial Auditors.
- Quarterly/Annual Secretarial Audit Reports submitted by Secretarial Auditors.
- Dividend Declaration.
- Quarterly summary of all long terms borrowing made, bank guarantees issued and loans and investments made.
- Significant changes in accounting policies and internal controls.
- Takeover of a company or acquisition of a controlling or substantial stake in another Company.
- Statement of significant transactions, Related Party Transactions and arrangements entered by unlisted subsidiary companies.
- Issue of Securities including debentures.
- Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee.
- Internal Audit Findings and External Audit Reports (through the Audit Committee).
- Proposals for major investments, mergers amalgamation and reconstructions.
- Status of business risks exposures, its management and action related plans.
- Making of loans and investments of surplus funds.
- Borrowing of monies, giving any guarantee or providing security in respect of loans.
- Buyback of securities by the Company.
- Diversify the business of the Company.
- Brief on statutory developments, change in government policies, among other with impact thereof, Directors' responsibilities arising out of any such developments.
- Compliance Certificate certifying compliance with all laws applicable to the Company.
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participation) Regulations, 1996.
- Brief on information disseminated to the press.

Board material distributed in advance

The agenda and notes on agenda are circulated to Directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect. In special and exceptional circumstances, additional or supplementary item(s) are permitted.

Recording minutes of proceedings at Board and committee meetings

The Company Secretary records the minutes of proceedings of each Board and Committee meeting. Draft Minutes are circulated to Board/Board Committee(s) members for their comments. The minutes are entered in the minute's book within 30 days from the conclusion of the meeting.

Compliance

The Company Secretary, while preparing the agenda, notes on Agenda, minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 1956/2013, read with rules framed issued there under, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

Procedure at Committee Meetings

The Company's guidelines relating to the Board meetings are applicable to committee meetings as far as practicable. Each committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist it in its functions. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for appropriate action.

Terms of reference and other details of Board Committees
Audit Committee

Composition of the Committee

During the year under review, four meetings of Audit Committee were held on 13th May, 2013, 31st July, 2013, 28th October, 2013 and 25th January, 2014. The attendance of members was as follows:

Name of the Member	Category/ Position	No. of Meetings attended / held	Sitting Fees (₹)
Dr. S. R. Mohnot	Independent Director/Chairman	3/4	60,000
Shri Y. S. Choudhary	Independent Director	4/4	80,000
Shri P. C. Surana	Independent Director	3/4	60,000
Dr. Shailendra Raj Mehta	Independent Director	4/4	80,000

The committees' composition meets with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess Financial/accounting expertise/exposures.

Powers of the Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from an employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Audit Committee inter-alia, includes the following:

The Audit Committee reviews the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concern to the Company. The terms of reference of the Audit Committee constituted by the Board in terms of Section 177 of the Companies Act, 2013 and the Corporate Governance Code as prescribed under Clause 49 of the Listing Agreement broadly includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with Auditors, recommendation, appointment and remuneration of Auditors, adequacy of disclosures and other relevant matters. In particular, these include:

1. Oversights 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.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors including cost auditors and fixations of Audit Fees and other terms of appointment.
3. Approval of payment to Statutory Auditors including cost auditors for any other services rendered by them
4. Reviewing with the management, Annual Financial Statements and Auditors Report thereon, before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Sub Section (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in Accounting Policies and Practices and reasons for the same.

- Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the Financial Statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualifications, if any, in the Auditors Report.
5. Reviewing with the management, the quarterly financial statements, before submission to the Board for approval.
 6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
 7. Reviewing and monitoring the Auditors independence, performance and effectiveness of Audit Process.
 8. Approval or any subsequent modifications of transactions of the Company with Related Parties.
 9. Scrutiny of Inter-Corporate Loans and Investments.
 10. Valuation of undertakings or assets of the Company, wherever it is necessary.
 11. Evaluation of Internal Financial Controls and Risk Management Systems.
 12. Reviewing with the management, the performance of Statutory Auditors, including Cost Auditors and Internal Auditors, adequacy of Internal Control systems.
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading department, reporting structure coverage and frequency of internal audit.
 14. Discussion with internal auditors any significant findings and follow up there on.
 15. Reviewing the findings of any internal investigation 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.
 16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
 18. To review the functioning of the Whistle Blower mechanism.
 19. Approval of appointment of CFO (i.e. the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background of the candidate.
 20. Carrying out such other functions, as may be specially referred to the Committee by the Company's Board of Directors and/or other committees of Directors.
 21. Reviewing Financial Statements, and the investments made by the Company's unlisted subsidiaries.
 22. To call for comments of the Auditors about Internal Control systems, the scope of Audit, including the observations of the Auditors and review of Financial Statements before their submission to the Board and to discuss any related issue with the Internal and statutory auditors and the management of the Company.
 23. Reviewing the following:
 - The Management Discussion and Analysis of Financial Conditions and results of operations,
 - Statement of significant Related Party Transactions (as defined by the Audit Committee), submitted by the management,
 - Letters to Management on Internal Control weaknesses issued by the Statutory Auditors,
 - Internal Audits Report relating to Internal Control weaknesses, and
 - The appointment, removal and terms of remuneration of Internal Auditors.

Meeting Details

Nomination & Remuneration Committee

Composition of the Committee

Shri D.R. Mehta	Chairman
Dr. Sohan Raj Mohnot	Member
Shri Yeshwant Singh Choudhary	Member
Shri Prakash Chand Surana	Member

Nomination & Remuneration committee was constituted by the Board on 15th May, 2014, consequent to changes in the name of Remuneration committee. The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, as amended from time to time.

Term of reference of the Committee, inter-alia, includes the following:

- To identify persons, who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's Performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a Policy on Board Diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole Time Director(s) based on their performance and defined assessment criteria.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

No meeting has been held of the Remuneration Committee during the Financial Year 2013-14.

Remuneration Policy

(i) Managing Director and Executive Director

The Managing Director and Executive Director are paid remuneration within the range recommended by the Remuneration Committee which is further approved by the Board of Directors and the Shareholders of the Company in General Meeting. The remuneration is decided considering various factors such as qualification(s), experience(s), expertise, and capability of the appointee, its contribution to the Company's growth, remuneration prevailing in the Industry, Financial Position of the Company etc.

(ii) Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees for attending each meeting of Board of

Directors and Committee Meeting thereof. Each Non-Executive Directors was paid a sum of ₹ 20,000/- (Twenty Thousand only) by way of sitting fee for attending each meeting of the Board of Directors and Committees thereof. Details of the sitting fees or remuneration paid to all the Directors for the year ended on 31 March, 2014 are given hereunder:

Name of the Member	Salary	Commission	Sitting Fees	Total
Shri D. R. Mehta	-	-	1,00,000	1,00,000
Dr. S. R. Mohnot	-	-	2,40,000	2,40,000
Shri J. K. Baid	-	-	1,00,000	1,00,000
Shri Y. S. Choudhary	-	-	2,20,000	2,20,000
Shri P. C. Surana	-	-	1,60,000	1,60,000
Shri S. R. Mehta	-	-	1,80,000	1,80,000
Shri Himanshu Baid	1,09,17,590	1,75,00,000	-	2,84,17,590
Shri Rishi Baid	1,03,78,822	1,75,00,000	-	2,78,78,822

(In ₹)
*Includes allowances, perquisites, retirement benefits and contribution to Provident Fund.

Information placed before the Board of Directors:

A detailed agenda folder is sent to each Director in advance to the Board Meeting. As a Policy, all major decisions involving investments and capital expenditure, in addition to matters which statutorily require the approval of the Board.

The Board periodically reviews Compliance Reports of all applicable laws to the Company, prepared by the Management as well as steps taken by the Company to rectify the instances of non-compliance, if any. Further, the Board also reviews the Financial Statements of the Unlisted Subsidiary Companies. In addition to the above, pursuant to Clause 49 of the Listing Agreement, the minutes of the Board Meetings of the Company's Unlisted Subsidiary Companies and a statement of all significant transactions and arrangement entered into by the Unlisted Subsidiary Companies are placed before the Board. Information as required under Clauses 49, as per format prescribed under Annexure 1A of the listing agreement is made available to the Board in every meeting.

ESOP Compensation Committee

Composition of Committee

Dr. Sohan Raj Mohnot	Chairman
Shri Y.S. Choudhary	Member
Shri Himanshu Baid	Member

The committee was formed on 22nd May 2011 and formulated the ESOP 2011 for the benefit of employees of the company.

Terms of reference of the Committee, inter-alia, includes the following:

- Formulation of the ESOP Scheme and its terms and conditions,
- Administration of the ESOP Scheme.

Meeting Details

During the year, under review, a meeting of ESOP Compensation Committee was held on the 31st July, 2013. The attendance of Members was as follows:

Name of Members	Position	Attendance and Meetings held	Sitting Fees (₹)
Dr. S. R. Mohnot	Chairman	1/1	20,000
Shri Y. S. Choudhary	Member	1/1	20,000
Shri Himanshu Baid	Member	1/1	-

Compliance Officer

Ms. Sonia Singh, Company Secretary is also the Compliance Officer of the Company for complying with the requirements of Listing Agreement with the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and The Companies Act 2013.

Stakeholders Relationship Committee

Composition of Committee

Dr. S. R. Mohnot	Chairman
Shri Prakash Chand Surana	Member
Shri Himanshu Baid	Member

The Stakeholder Relationship Committee was constituted by the Board on 15th May, 2014 consequent to change in the name of Investor Grievance Committee. The Stakeholders Relationship Committee is primarily responsible to review all matters connected with Company's transfer of securities and redressal of Shareholder's/Investor's/Security Holder's complaints. The committee also monitors the implementation and compliance with Company's code of conduct for prohibition of Insider Trading.

The Stakeholder Relationship Committee's composition and the terms of reference meet with the requirement of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

Terms of reference of the Committee, inter-alia, includes the following:

- Overseeing and review all matters connected with the transfer of the Company's Securities.
- Approve issue of the Company's duplicate share certificates.
- Monitor redressal of investor's/Shareholder's/Security holders' grievances.
- Oversee the performance of the Company's Registrar and Transfer Agents.
- Recommend methods to upgrade the standard of service to investors.
- Monitor implementation of the Company's code of conduct for prohibition of Insider Trading.
- Carry out any other functions as is referred by the Board from time to time or enforced by any statutory modification as may be applicable.

Meeting Details

During the year, under review, a meeting of Stakeholders Relationship Committee was held on the 13th May, 2013. The attendance of Members was as follows:

Name of Members	Category / Position	Attendance and Meetings held	Sitting Fees (₹)
Dr. S.R. Mohnot	Chairman	1/1	20,000
Shri P.C. Surana	Member	0/1	-
Shri Himanshu Baid	Member	1/1	-

Compliance Officer

Ms. Sonia Singh, Company Secretary is also the Compliance Officer of the Company for complying with the requirements of Listing Agreement with the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and The Companies Act 2013.

Investor Grievances Redressal

Types of Complaints	Number of Complaints
Non- Receipt of Dividend Warrant / Bonus Shares	4

No complaint was outstanding as on 31 March, 2014.

Corporate Social Responsibility Committee

Composition of Committee

Shri D.R. Mehta	Chairman
Dr. Sohan Raj Mohnot	Member
Shri Jugal Kishore Baid	Member

The Corporate Social Responsibility committee was constituted by the Board on 15 May, 2014, considering requirement under the Companies Act, 2013. The Board also empowered the committee to look into matters related to sustainability and overall governance. The Committee's prime responsibility is to assist the Board in discharging its Social Responsibility by way of formulating and monitoring implementation of the framework of "Corporate Social Responsibility Policy" observe practices of Corporate Governance at all levels and suggest remedial measures, wherever necessary.

The Committee's constitution and term of reference meet with the requirement of the Companies Act, 2013.

Terms of reference of the Committee, inter alia, include:

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) policy indicating initiatives to be undertaken by the Company in compliance with provisions of Companies Act, 2013 and rules there made under.
- To recommend the amount of expenditure to be incurred on the CSR initiatives.
- To monitor the implementation of the framework of the CSR policy.
- To approve the Corporate Social Responsibility Report and oversee the implementation of sustainability activities.
- To observe Corporate Governance Practices at all levels and to suggest remedial measures wherever necessary.
- To ensure compliance with Corporate Governance norms prescribed under Listing Agreement with Stock Exchanges, the Companies Act, 2013 and other statutes or any modification or re-enactment thereof.
- To advise the Board periodically with respect to significant developments in the law and practice of Corporate Governance and to make recommendations to the Board for appropriate revisions to the Company's Corporate Governance guidelines.
- To monitor the Company's compliance with Corporate Governance guidelines and applicable laws and regulations, and make recommendation to the Board on all such matters and on any corrective action to be taken, as the committee may deem appropriate.

- To formulate/approve codes and/or policies for better governance.
- To provide correct inputs to the media, so as to preserve and protect the Company's image and standing.
- To disseminate factually correct information to investors, institution and the public at large.
- To establish oversight on important corporate communications on behalf of the Company's with the assistance of consultants/ advisors, if any.
- To ensure institution of standardized channels of Internal communications across the Company to facilitate a high level of disciplined participation.
- To carry out any other functions as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendments or modifications as may be applicable or as may be necessary or appropriate for performance of its duties.

Allotment Committee

Meeting Details

During the year, under review, Two Meetings of the Allotment Committee were held on 11th July, 2013 and 11th Oct, 2013. The attendance of members therein as follows:-

Name of Members	Category/ Position	Attendance and Meetings held	Sitting Fees (₹)
Dr. S.R. Mohnot	Chairman	2/2	40,000
Shri Rishi Baid	Member	2/2	-
Shri Himanshu Baid	Member	2/2	-

The Company Secretary is also the Secretary to all Committees.

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective fields/professions, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination & Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee inter-alia, considers qualification, positive attributes, areas of expertise and number of Directorships and membership held in various committees of other companies by the appointee. The Board considers the Committee's recommendation and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every Financial Year, gives a declaration that he meets the criteria of Independence as provided in law.

Lead Independent Director

The Company's Board of Directors has designated Shri D. R. Mehta as the Lead Independent Director. The lead Independent Directors' roles are as follows:

To preside over all meetings of Independent Directors.

- To ensure that there is an adequate and timely flow of information to Independent Directors.
- To liaison between the Managing Director, management and Independent Directors.
- To preside over the meetings of the Board and Shareholders.
- To perform such other duties, as may be delegated by the Board.

Meetings of the Independent Directors

The Company's Independent Director meet at least once in every Financial Years without the presence of Executive Directors or management personnel. Such Meetings are conducted informally to enable Independent Director to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present Independent Directors' view to the Managing Director.

General Body Meetings

Annual General Meetings conducted during the last three years viz. FY 2010-11, FY 2011-12 and FY 2012-13 are as follows:

Meeting	Date and Time	Venue
16 th AGM	Thursday, 8 September, 2011 at 10:00 a.m.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi, 110016.
17 th AGM	Friday, 28 September, 2012 at 10:00 a.m.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi, 110016.
18 th AGM	Friday, 27 September, 2013 at 10:00 a.m.	Bipin Chandra Pal Memorial Auditorium, A-81, Chittranjan Park, New Delhi-110019.

Special Resolution passed in last three AGMs

16th AGM held on 8 September, 2011

- Appointment of Shri Vishal Baid as President (Corporate Business).
- Re-appointment of Managing Director & Executive Director of the Company & variation in their Remuneration.
- Increase in sitting fees to the Non-Executive Directors of the Company.
- Issue of 20,440 Options in terms of Employees Stock Option Scheme, 2011.

17th AGM held on 28 September, 2012

- None

18th AGM held on 27 September, 2013

- Granting of an Additional Option to the employees.

Disclosures

The details of Related Party Transaction(s) are given in the Notes on Accounts. None of the transaction with any of the Related Party was in conflict with the interests of the Company.

There were no instances of non-compliance on any matter related to the Stock Exchange(s), SEBI & Capital Markets during the last three years. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

The Company has fully complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India Limited (NSE) relating to Corporate Governance and included all suggested items in the Report on Corporate Governance.

In preparation of Financial Statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable.

The Company has undertaken voluntary Secretarial Audit and has also obtained certificate from M/s. B. K. Sethi & Co., Practicing Company Secretaries confirming the compliance of all the conditions of Corporate Governance, as stipulated, in Clause 49 of the Listing Agreement.

Means of Communication

In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional website at www.polymedicure.com basic corporate information about the Company viz. details of its Business, Financial Information, Shareholding Pattern, compliance with code of conduct etc. The contents of the said website are updated from time to time. The quarterly, half yearly and Annual Results are published in "The Pioneer" (English) and "Veer Arjun" (Hindi), newspapers, respectively and also displayed on the Company's website for the benefit of the public at large.

Further, the Company disseminates to the Stock Exchange, where its securities are listed, all mandatory information

Poly Medicare Limited Annual Report 2013-14



and price sensitive information, which in its opinion are material and / or have a bearing on its performance/ operations, for the information of public at large.

No Presentation was made to Institutional Investors and Analysts during the year under review.

Any information having price sensitive feature is forthwith disseminated to the Bombay Stock Exchange Limited (BSE) & National Stock Exchange of India Limited (NSE) for being displayed on their website www.bseindia.com and www.nseindia.com.

General Shareholders Information:

Annual General Meeting Day, Date and Time & Venue	Wednesday, 23 rd Day of September, 2014 at 10 a.m. at Bipin Chandra Pal Memorial Bhawan, A-81, Chitranjan Park, New Delhi- 110019
Financial Year	1 April, 2013 to 31 March, 2014
Date of Book Closure	17 September, 2014 to 23 September, 2014 (inclusive both days)
Listing of Equity Shares on Stock Exchange(s)	Bombay Stock Exchange Limited (BSE):- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. National Stock Exchange of India Limited: - Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Mumbai-400051
Stock Code	BSE Code: POLME, Scrip Code: 531768. NSE Code: POLYMED
Registrar and Transfer Agents	MAS Services Ltd. T-34, II nd Floor, Okhla Industrial Area, Phase II, New Delhi -110020.
Dematerialization of Shares and Liquidity	The Shares of the Company are under compulsory DMAT mode. Under the depository system the International Security Identification Number (ISIN) allotted to the Company. Respective ISIN is INE205C01013.
Plants Locations	Unit-I Plot No. 104-105, Sector-59, HSIDC Industrial Area, Ballabgarh, Faridabad - 121004 (Haryana) India. Unit-II (100% EOU) Plot No. 115-116, Sector-59, HSIDC Industrial Area, Ballabgarh, Faridabad - 121004 (Haryana) India. Unit III Plot No. 17, Sector-3, I.I.E SIDCUL Haridwar, Uttarakhand, India Unit IV (SEZ) Plot No. PA-010, P.O., Mahindra World City (Jaipur) Ltd., SEZ, Tehsil, Sanganer, Jaipur-302037, India.

Address for Shareholders' correspondence:

Investors and Shareholders can correspond with the Registrar and Transfer Agent or at Registered Office of the Company at the following address:

Mr. Sharwan Mangla
M/s Mas Services Ltd.
T-34, Okhla Industrial Area,
Phase-II, New Delhi-110020
Phone No. 011-26387281,
26387282
Fax No. 011- 26387384
E-mail: mas_serv@yahoo.com,
Website: www.masserve.com

The Company Secretary
M/s Poly Medicare Limited
Plot No. 104-105, HSIDC Industrial
Estate, Ballabgarh
Faridabad (Haryana),
Phone No. 0129-3355070
Fax No. 011-2307007
Email:
investorcare@polymedicure.com
Website:
<http://www.polymedicure.com>

Physical Share Transfer System

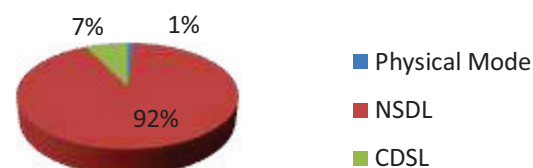
The Registrar and Transfer Agents (RTA) on receipt of transfer deed with respective Share Certificates, scrutinizes the same and verify signatures of transferors on the transfer deed with specimen signatures registered with the Company. A list of such transfers is prepared and checked thoroughly and then a transfer register is prepared. The transfer register is placed before the Share Transfer Committee meeting for approval. Share transfers are registered and share certificates are returned within 30 days from the date of lodgment if the documents are complete in all respects.

Dematerialization of Shares

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with provisions of Depositories Act, 1996 with National Securities Depository Services (India) Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both the Depositories for the benefit of the Shareholders. The status of Dematerialization of the Company's Shares as on 31st March, 2014 are as under:

Mode	No. of Shares	%age (Percentage)
Physical Mode	2,36,490	1.07
NSDL	2,01,74,708	91.56
CDSL	16,22,013	7.36
Total	2,20,33,211	100.00

Status of D-materlization of Shares



Poly Medicare Limited Annual Report 2013-14



For guidance of Depository Services, Shareholders may write to the Company or to the respective Depositories.

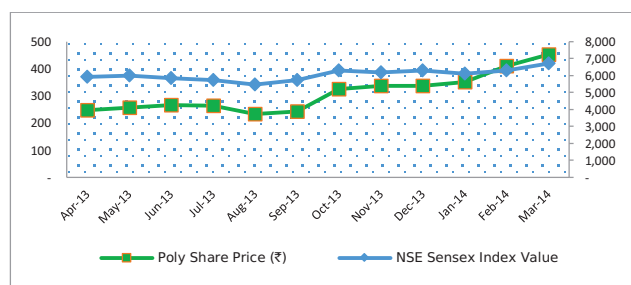
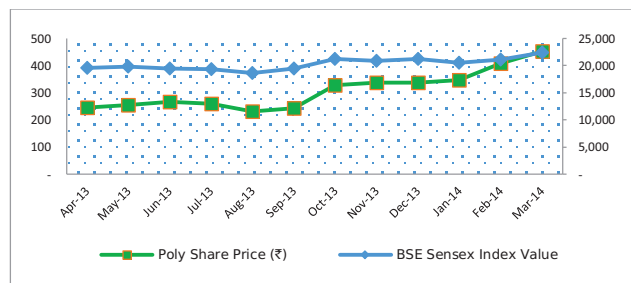
National Securities Depositories Limited	Central Depository Services Limited
4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Telephone: 91-22-24994200, E-mail- info@nsdl.co.in, Website: www.nsdl.co.in	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Fort, Mumbai- 400001, Telephone 91-22-22723333, E-mail: investor@cdslindia.com, Website: www.cdslindia.com.

Listed on Stock Exchange(s)

Name of the Stock Exchange(s)	Stock Code
Bombay Stock Exchange Limited	531768
National Stock Exchange of India Limited	POLYMED

Market Price Data: Monthly High and Low prices of the Equity Shares of the Company traded on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India (NSE) during the Financial Year are as follows:

Month	BSE (In ₹)		NSE (In ₹)	
	High Price	Low Price	High Prices	Low Prices
Apr-13	246.00	215.00	247.30	215.00
May-13	287.42	233.55	243.87	240.00
Jun-13	274.50	240.75	271.90	240.00
Jul-13	269.00	250.00	270.00	250.50
Aug-13	280.00	221.90	270.00	220.00
Sep-13	268.40	221.50	262.90	230.00
Oct-13	364.25	239.10	382.00	237.50
Nov-13	353.90	315.00	389.00	312.30
Dec-13	351.85	306.50	354.90	303.50
Jan-14	360.00	328.00	359.95	235.20
Feb-14	445.00	335.00	445.00	335.00
Mar-14	477.00	383.25	499.75	394.00



Distribution of Shareholding of Poly Medicare Limited as on 31st March, 2014

Nominal value of each Share ₹ 10 each.

No of share holders	% to Total	Shareholding of nominal value of (in ₹)	No of Shares	% to Total
2016	79.65	1 to 5000	2,23,547	1.02
168	6.64	5001 to 10000	1,27,721	0.580
145	5.73	10001 to 20000	2,44,661	1.11
29	1.15	20001 to 30000	71,176	0.32
40	1.58	30001 to 40000	1,47,654	0.67
16	0.63	40001 to 50000	73,322	0.33
37	1.5	50001 to 100000	2,70,965	1.23
80	3.16	100001 and above	2,08,74,165	94.74
2,531	100.00	Total	2,20,33,211	100.00

Particulars	No.	No. of shares	% age
(A) Shareholding of Promoter and Promoter group			
1. Indian	17	10668638	48.42
2. Foreign	2	56800	0.26
Total Shareholdings of Promoter and Promoter Group	19	10725438	48.68
(B) Public Shareholding			
1. Institution	2	62267	0.28
2. Non Institution	2,510	11245506	51.04
Total Public Shareholding	2,512	11307773	51.32
(C) Shares held by custodian and against which Depository Receipts have been issued			
1. Promoter and Promoter Group	0	0	0
2. Public	0	0	0
Total (A)+(B)+(C)	2,513	2033211	100

Adoption of Mandatory and Non-Mandatory requirements of Clause 49

The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement. The Company has adopted following Non mandatory requirements of Clause 49 of the Listing Agreement.

• Nomination and Remuneration Committee

The Company has constituted Nomination and Remuneration Committee as required under Clause 49 of the Listing Agreement and the Companies Act, 2013.

• Training of Board Members

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedure and practices.

Periodic presentation are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

• **Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Employees of the Company are free to report violations of Law(s), Rule(s), Regulation(s) or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workshops. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practices.

Unclaimed Dividend on Equity Shares

Investors are requested to claim their preceding years' unclaimed dividends from the Company. They may correspond at Company's address or send e-mail at investorcare@polymedicure.com for clarifying any doubts. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to Investor Education and Protection Fund (IEPF) as per the requirements of Section 205C of the Companies Act, 1956, and rule(s) made there under. No claim shall be entertained after unclaimed dividend is transferred to this fund.

Review of Legal / Statutory Compliances Report

The Board periodically reviews Statutory / Legal Compliance Reports with respect to the various laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

Code for Prevention of Insider Trading Practices

The Company has instituted a comprehensive code for prevention of Insider Trading, for its Directors and Designated Employees, in compliance with Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.

The objective of this code is to prevent purchase and/or sale of Shares of the Company by an insider on the basis of unpublished Price Sensitive information. Under this code, Directors and Designated Employees are completely prohibited from the dealing in the Company's share during the closure of Trading Window. Further the code specifies the procedure to be followed and disclosures to be made by Directors and Designated Employees, while dealing with

the share(s) of the Company and enlists the consequences of any violations.

Ms. Sonia Singh, Company Secretary, has been designated as Compliance Officer of this code.

Risk Management Policy

The Company has established a well-documented and robust Risk Management framework. Under this framework, risks are identified across all business processes of the Company on continuous basis. These risks are systematically categorized as Strategic Risks, Business Risks or Reporting Risks. The Management looks at all risks associated with the longer terms interests of the Company. To address these Risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, the Company has set in place various procedure for Risk Management.

Subsidiary Companies

The subsidiary Companies are unlisted foreign Companies. These subsidiaries have their own Board of Directors having the rights and obligations to manage such companies in its best interest. The Company has its own representatives on the Board of subsidiary companies and monitors the performance of such companies regularly.

CEO / CFO Certification

The Managing Director and the Chief Financial Officer of the company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the board in terms of clause 41 of the listing Agreement. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this report.

Code of Conduct by CEO

The Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel consisting of members of the Board and heads of all departments.

All the Board members and Senior Management Personnel have affirmed compliance to the Code of Conduct of the Company for the period from 1st April, 2013 to 31st March, 2014. The declaration received from Shri Himanshu Baid, Managing Director, in this regard is also given in this report.

New Delhi 30 July, 2014	D. R. Mehta Chairman	Himanshu Baid Managing Director
----------------------------	-------------------------	------------------------------------

CEO / CFO Certificate under Clause 49 (V)

Certificate on Corporate Governance

To

The Board of Directors

Poly Medicare Limited

1. We have reviewed financial statements and the cash flow statement of Poly Medicare Limited for the year ended 31st March, 2014 and to the best of our knowledge and belief :-

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading:

(ii) these statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulation.

2. There are, to the best of our knowledge and belief no transaction entered into by the company during the year which are fraudulent, illegal or violate the Company's code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control system pertaining to financial reporting.

We have not across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:-

(i) that there are no significant changes in internal controls over financial reporting during the year.

(ii) that there are no significant changes in accounting policies during the year and.

(iii) that there are no instances of significant fraud of which we have become aware.

New Delhi

Hlmanshu Baid

J. K. Oswal

15th May, 2014

Managing Director

VP (F) and CFO

Declaration by Chief Executive Officer

I hereby confirm and declare that all the Directors of the Company and all Senior Management Personnel as defined in the Code of Conduct of the Company have submitted Annual declaration confirming their compliance with the same.

New Delhi

Himanshu Baid

30th July, 2014

CEO/ Managing Director

To the members of the Poly Medicare Limited

We have examined the Compliance of conditions of Corporate Governance by Poly Medicare Limited ("The Company"), for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd (BSE) & National Stock Exchange of India Limited (NSE).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company to ensure compliance with 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 explanation given to us, we certify that the Company has complied with the conditions of the corporate governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company or efficiency or effectiveness with which the management has conducted the affairs of the Company.

New Delhi

30 July, 2014

For BK Sethi & Co.

B.K. Sethi

Proprietor

FCS-853/CP-913

Independent Auditors' Report

To the members of Poly Medicare Limited

Report on the financial statements

We have audited the accompanying financial statements of Poly Medicare Limited ("the Company"), which comprise the balance sheet as at March 31, 2014, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the company as at March 31, 2014;
- (b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Doogar & Associates**
Chartered Accountants
Firm's Reg. No. 000561N

M. S. Agarwal
Partner
M. No. 86580

Place of Signature: New Delhi
Date: 15th May 2014

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The company has a regular program of physical verification of its fixed assets. A major portion of the fixed assets has been physically verified by the management during the year pursuant to a program for physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.
- ii. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weaknesses in internal control system in respect of these areas.
- v. a. In our opinion and according to the information and explanations given to us, the contracts or arrangements referred to in Section 301 of the Act that needs to be entered into the register required to be maintained under that Section have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have generally been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
- vi. According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. According to the information and explanations given to us, the cost records have been maintained by the company pursuant to Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained, however, we have not made a detailed examination of such cost records.
- ix a. According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty cess and any other statutory dues applicable to it and there are no undisputed amounts payable in respect of these dues

- which have remained outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- b. According to the records of the Company, there are no statutory dues related to provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess outstanding which has not been deposited on account of any dispute.
- x. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not issued any debentures and hence there are no debenture holders in the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. In our opinion, and according to the information and explanations given to us, term loans have been applied for the purposes for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised money by public issue of shares during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Doogar & Associates**
Chartered Accountants
Firm's Reg. No. 000561N

M. S. Agarwal
Partner
M. No. 86580

Place of Signature: New Delhi
Date: 15th May 2014

Poly Medicure Limited
Balance Sheet as at 31 March 2014

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2014		As at 31 March 2013	
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	2,203.32		1,101.25	
(b) Reserves and surplus	2	12,226.21		10,002.73	
(c) Money Received Against Share Options		0.42	14,429.95	-	11,103.98
2 Non-current liabilities					
(a) Long-term borrowings	3	3,864.67		2,416.61	
(b) Deferred tax liabilities (Net)	4	797.25		628.95	
(c) Other Long term liabilities	5	240.76		255.64	
(d) Long-term provisions	6	165.17	5,067.85	142.58	3,443.78
3 Current liabilities					
(a) Short-term borrowings	7	1,010.13		1,344.92	
(b) Trade payables	8	2,883.77		2,283.89	
(c) Other current liabilities	9	3,806.01		2,455.98	
(d) Short-term provisions	6	1,050.50	8,750.41	560.45	6,645.24
TOTAL			28,248.21		21,193.00
II ASSETS					
1 Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		11,709.06		8,658.17	
(ii) Intangible assets		333.53		258.20	
(iii) Capital work-in-progress		1,335.11		345.83	
(iv) Intangible assets under development		631.25		453.74	
(b) Non-current investments	11	561.06		691.39	
(c) Long-term loans and advances	12	1,782.90		1,505.25	
(d) Other non-current assets	13	166.90	16,519.81	98.53	12,011.11
2 Current assets					
(a) Inventories	14	3,955.73		3,287.22	
(b) Trade receivables	15	4,556.56		4,233.00	
(c) Cash and bank balances	16	1,378.65		72.79	
(d) Short-term loans and advances	12	1,018.73		989.01	
(e) Other current assets	13	818.73	11,728.40	599.87	9,181.89
TOTAL			28,248.21		21,193.00
Significant accounting policies					
Notes on financial statement	1 - 47				

The Notes referred to above form an integral part of the Balance Sheet

As per our report of even date annexed

For **DOOGAR & ASSOCIATES** (Reg No.000561N)

Chartered Accountants

M. S. Agarwal

Partner

Membership No. 86580

Place : New Delhi

Date : 15.05.2014

For and on behalf of the Board of Directors

Himanshu Baid

Managing Director

DIN: 00014008

J.K.Oswal

VP (F) and CFO

Rishi Baid

Executive Director

DIN: 00048585

Sonia Singh

Company Secretary

Poly Medicure Limited
Statement of Profit and Loss for the Year ended 31 March 2014

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2014	Year ended 31 March 2013
INCOME			
Revenue from operations (Gross)	17	31,709.16	25,647.01
Less: Excise Duty		(475.84)	(423.22)
Revenue from operations (Net)		31,233.32	25,223.79
Other income	18	106.20	36.76
Total Revenue (I)		31,339.52	25,260.55
EXPENDITURE			
Cost of raw materials including packing materials consumed	19	10,085.67	7,932.77
Purchases of Stock-in-Trade		575.91	501.08
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(347.48)	(110.54)
Employee benefits expense	21	4,980.36	4,023.78
Research and development expenses	22	592.38	399.49
Other expenses	23	8,083.12	7,361.95
Total (II)		23,969.96	20,108.53
Earnings before Interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		7,369.56	5,152.02
Depreciation and amortization expense	24	1,351.06	1,182.06
Finance cost	25	794.87	589.78
Profit before exceptional items and tax (III)		5,223.63	3,380.18
Exceptional Items (IV)		991.46	-
Profit before tax (V) (III + IV)		6,215.09	3,380.18
Tax expense:			
(1) Current tax		1,766.47	878.11
(2) Tax adjustment for earlier years (net)		1.75	10.96
(3) Deferred tax		168.31	92.01
(4) Minimum Alternative Tax Credit Entitlement for earlier years		(24.65)	(3.82)
Total tax expenses (VI)		1,911.88	977.26
Profit for the year (V - VI)		4,303.21	2,402.92
Earnings per equity share: (Face value ₹ 10 each) in rupees	32		
Basic		19.53	10.91
Diluted		19.51	10.90
Significant accounting policies			
Notes on financial statement	1 - 47		

The Notes referred to above form an integral part of the Statement of Profit and Loss

As per our report of even date annexed

For **DOOGAR & ASSOCIATES** (Reg No.000561N)

Chartered Accountants

M. S. Agarwal
 Partner
 Membership No. 86580

Place : New Delhi
 Date : 15.05.2014

For and on behalf of the Board of Directors

Himanshu Baid
 Managing Director
 DIN: 00014008

Rishi Baid
 Executive Director
 DIN: 00048585

J. K. Oswal
 VP (F) and CFO

Sonia Singh
 Company Secretary

Poly Medicure Limited
Cash Flow Statement for the year ended 31 March 2014

(₹ in Lacs)

Particulars	Year ended	
	31 March 2014	31 March 2013
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	5,223.63	3,380.18
Adjusted for:		
Exceptional Items	991.46	-
Depreciation and amortisation	1,351.06	1,182.06
Interest expense	794.87	589.78
Interest income	(29.61)	(12.46)
Dividend on non-trade investments	(32.98)	-
Loss/(profit) on sale of fixed assets, net	0.06	7.01
Debts/advances written off	1.52	1.35
Provision for diminution in value of investment in subsidiary	130.33	-
Credit balances no longer required, written back	(2.43)	(7.76)
Provision for Wealth tax	2.15	1.69
Deferred employee compensation expenses (net)	34.35	29.56
Unrealised foreign exchange (gain) /loss	67.08	(50.81)
Operating profit before working capital changes	8,531.49	5,120.60
Movement in working capital		
Decrease/ (increase) in sundry debtors	(428.17)	(998.31)
Decrease/(Increase) in loans and advances	(462.83)	(38.69)
Decrease/(increase) in inventories	(668.51)	(495.56)
Increase/ (decrease) in current liabilities and provisions	1,293.25	946.01
Cash generated from operations	8,265.23	4,534.05
Direct taxes paid (net of refunds)	(1,770.39)	(700.89)
Net cash from operating activities	6,494.84	3,833.16
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(5,798.17)	(3,033.20)
Proceeds from / (Investment in) Fixed Deposits (net)	4.48	6.10
Proceeds from sale of fixed assets	11.21	7.70
Dividend and Interest income	62.59	12.46
Net cash used for investing activities	(5,719.89)	(3,006.94)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans (net of repayment)	1,843.14	173.53
Proceeds from ESOPs	2.06	-
Money Received Against Share Options	0.42	-
Dividend Paid	(440.50)	(330.38)
Dividend Tax Paid	(74.86)	(53.60)
Interest / Finance charges paid	(794.87)	(589.78)
Net cash from (used for) financing activities	535.39	(800.23)
Net increase in cash and cash equivalents (A+B+C)	1,310.34	25.99
Cash and cash equivalents at the beginning of the year	68.11	42.12
Cash and cash equivalents at the end of the year	1,378.45	68.11

Notes: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date.

For **DOOGAR & ASSOCIATES** (Reg No.000561N)

Chartered Accountants

M. S. Agarwal

Partner

Membership No. 86580

Place : New Delhi

Date : 15.05.2014

For and on behalf of the Board of Directors

Himanshu Baid

Managing Director

DIN: 00014008

J.K.Oswal

VP (F) and CFO

Rishi Baid

Executive Director

DIN: 00048585

Sonia Singh

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

a) BASIS OF ACCOUNTING

- i) Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and to comply with Accounting Standards prescribed in Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the powers conferred under section 642(1)(a) and the relevant provisions of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- ii) The Company follows the mercantile system of accounting & recognizes the income & expenditure on accrual basis.
- iii) All assets and liabilities have been classified as Current or Non-current as per Company's normal operating cycle and other criteria set out in Revised Schedule VI to Companies Act 1956. Based on the nature of products and time between acquisition of assets/materials for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of one year for the purpose of classification of assets and liabilities as current and non-current.

b) USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

c) FIXED ASSETS

Fixed assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost of acquisition or construction is inclusive of direct cost (net of recoverable taxes), incidental expenses and borrowing cost related to such acquisition or construction.

d) INVESTMENTS

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are valued at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non-current investments.

e) DEPRECIATION AND AMORTISATION

- i) Depreciation on fixed assets is provided for on the Straight Line method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 except on fixed assets with 100% rate of depreciation which are fully depreciated in the year of addition.
- ii) Premium on Leasehold land is amortised over the period of lease.
- iii) Intangible assets are amortised on straight line basis over their estimated useful life. In respect of Patents & Trademarks, useful life has been estimated by the Management as 10 years unless otherwise stated in the relevant documents and in case of Specialized Software as 3 years. Depreciation Charge/Amortisation on impaired assets is provided by adjusting in the future/remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

f) INVENTORIES

Inventories have been valued at lower of cost or net realisable value. In respect of stores and spares, packing material and raw material, cost has been arrived at on FIFO basis. In case of work in progress and finished goods, cost has been arrived at on standard cost basis. Scrap has been valued at estimated realisable value.

g) REVENUE RECOGNITION

- i) Revenue from sales is recognised on despatch of goods in accordance with the terms of sale.
- ii) Sales and purchases are exclusive of inter-unit transfers.
- iii) Export Incentives and benefits are accounted for on accrual basis when virtual certainty and their probable use within reasonable time in the normal course of business, is established.
- iv) Revenue from Services is recognized when the related services are performed.
- v) Interest is recognized using the time proportion method. Dividend income is recognized when the company's right to receive dividend is established.
- vi) Other items of Income are accounted as and when right to receive arise.
- vii) Non-compete fees received are apportioned proportionately over the period of such agreement.

h) EXTRAORDINARY AND EXCEPTIONAL ITEMS

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external events beyond the control of the company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company, is such that its disclosure improves an understanding of the performance of the company. Such income or expense is classified as an exceptional items and accordingly disclosed in the notes to accounts.

i) FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES

- i) Transactions denominated in the foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies other than those covered by forward exchange contracts are translated into rupees equivalent at the rate of exchange prevailing on the Balance Sheet date. Exchange differences that arise on settlement of monetary items or on reporting date are recognized as income or expense in the period in which they arise.
- iii) Non-monetary items, which are carried at historical costs denominated in a foreign currency are reported using the exchange rate at the date of the transactions.
- iv) Exchange difference arising on Forward Contracts are recognized in the period in which they arise and the premium paid/received is accounted as expense/income over the period of the contract.
- v) The company intends to adopt Accounting Standard (AS-30), "Financial Instruments, Recognition and Measurement" in due course. Till the adoption of AS 30, Mark to Market losses or gains on un-expired Forward Contracts entered into to hedge the risk of changes in Foreign Currency Exchange Rate on future export sales against the existing long term contracts are accounted for on maturity of the contracts so as to safe guard against considerable volatility in foreign exchange rates during the intervening period.
- vi) In accordance with Accounting Standard - 11 "Accounting for the effects of changes in foreign exchange rate", exchange differences arising in respect of long term foreign currency monetary items:
 - used for acquisition of depreciable capital assets are added to or deducted from the cost of assets and are depreciated over the balance life of assets.
 - used for purpose other than acquisition of depreciable assets are accumulated in "foreign currency monetary items translation differences account" and amortised over the balance period of such assets or liabilities.

j) GOVERNMENT GRANTS

Capital subsidy under 15% central investment subsidy scheme of Government of uttarakhand is recognised on a systematic and rational basis by adopting deferred income approach in proportion of the applicable depreciation over the remaining useful life of the respective assets and is adjusted against the depreciation in statement of profit and loss.

k) RETIREMENT BENEFITS

- i) Retirement benefits in the form of Provident fund is accounted on accrual basis and charged to the statement of Profit & Loss.
- ii) Provision for liability towards gratuity and unavailed earned leaves benefits to employees is made on the basis of actuarial valuation.

l) EMPLOYEE STOCK COMPENSATION COST

In respect of employees' option granted by the company, the excess of market price of the share over the exercise price of the option at the grant date is treated as employee compensation cost and is amortised over the vesting period.

m) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of the qualifying assets are capitalised as part of the cost of such assets, till the assets are ready for use. All other borrowing costs are charged to revenue in the period in which they are incurred.

n) LEASES

- i) Finance leases or similar arrangement, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed as leased assets. Finance charges are charged directly against income.
- ii) Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- iii) Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

o) EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the company's EPS comprise the Net Profit or Loss for the period after tax and extra ordinary items. The basic EPS is computed on the basis of weighted average number of equity shares outstanding during the year. The number of shares for computation of diluted EPS comprises of weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

p) TAXES ON INCOME

- i) Tax expense for the year comprises of Current Tax, and Deferred Tax. Current taxes are measured at the current rate of tax in accordance with provisions of the Income Tax Act, 1961.
- ii) Deferred tax Assets and Liabilities are recognized for future tax consequences attributable to the timing differences that result between taxable profit and the profit as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date,
- iii) Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses under tax laws to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- iv) The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statement of Profit and Loss in the year of change.

q) IMPAIRMENT OF ASSETS

The carrying values of fixed assets and other assets of a cash generating unit are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, if any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets of the cash generating units are written down to their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the assets belongs. Impairment losses are recognised in the Statement of Profit and Loss.

r) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes.

Contingent liability is disclosed in case of :

- a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- b. a present obligation arising from past events, when no reliable estimate is possible,
- c. a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognised nor disclosed in the financial statements.

s) MEASUREMENT OF EBITDA

The company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs, exceptional items and tax expense.

t) CASH AND CASH EQUIVALENTS

For the purpose of cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

	(₹ in Lacs)	
	As at 31 March 2014	As at 31 March 2013
1 SHARE CAPITAL		
Authorised share Capital		
30,000,000 (15,000,000) Equity Shares of ₹ 10 each	3,000.00	1,500.00
Issued, subscribed & paid up shares		
22,033,211 (11,012,500) Equity Shares of ₹ 10 each fully paid up	2,203.32	1,101.25
Total	2,203.32	1,101.25

1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2014		As at 31 March 2013	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	11,012,500	1,101.25	11,012,500	1,101.25
Add: Issued during the year by way of Bonus Shares	11,012,500	1,101.25	-	-
Add: Issued during the year by way of ESOS	8,211	0.82	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of year	22,033,211	2,203.32	11,012,500	1,101.25

1.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2014, the amount of per share dividend recognised as distribution to equity shareholders is ₹ 4 (31st March 2013 ₹ 2)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

1.3 Details of shareholders' holding more than 5% shares in the company

	As at 31 March 2014		As at 31 March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M/s Allegeny Finlease private Limited	3,142,339	14.26%	1,573,019	14.28%
Shri Rishi Baid	2,456,512	11.15%	1,228,256	11.15%
M/s BS Trade Invest Private Limited	2,398,560	10.89%	1,199,280	10.89%
Shri Himanshu Baid	2,018,656	9.16%	1,009,328	9.17%

The aforesaid disclosure is based upon percentages computed separately for class of shares outstanding, as at the balance sheet date. As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

1.4 Shares allotted for consideration other than cash

Particulars

Equity Shares :

Aggregate number of equity shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account and General Reserves during the financial year 2013-14 and also in preceding five financial years.

No. of Shares

16,518,750

2 <u>RESERVES AND SURPLUS</u>	(₹ in Lacs)	
	As at 31 March 2014	As at 31 March 2013
Capital Reserves		
Surplus on re-issue of forfeited shares	13.19	13.19
Application money received on Preferential Warrants issued to promoters forfeited	33.79	33.79
Securities Premium Account		
Balance at the beginning of the year	6.77	6.77
Less: Utilised for issue of Bonus Shares during the year	(6.77)	-
Add: Additions during the year	23.98	-
Closing Balance	<u>23.98</u>	<u>6.77</u>
Foreign Currency Monetary Translation Account		
Balance at the beginning of the year	(148.68)	(49.55)
Add: Additions during the year (refer note no. 35)	20.62	(99.13)
Closing Balance	<u>(128.06)</u>	<u>(148.68)</u>
Employees Stock Option Outstanding Account (net of options lapsed)	45.49	42.16
Add: Additional options granted	36.25	-
Less: Transferred to Share premium Account on allotment of options	(22.74)	-
Less: Deferred Employee Compensation Expenses	(17.83)	(12.60)
	<u>41.17</u>	<u>29.56</u>
General Reserve		
Balance at the beginning of the year	6,351.38	5,351.38
Less: Utilised for issue of Bonus Share during the year	(1,094.48)	-
Add: Additions during the year	1,500.00	1,000.00
Closing Balance	<u>6,756.90</u>	<u>6,351.38</u>
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	3,700.91	2,813.35
Add: Additions during the year	4,303.21	2,402.92
Less: Proposed Dividend	(881.33)	(440.50)
Less: Tax on Proposed Dividend	(149.78)	(74.86)
Less: Transferred to General Reserve	(1,500.00)	(1,000.00)
Closing Balance	<u>5,473.01</u>	<u>3,700.91</u>
Government Grants (Deferred Income Approach)		
Capital Investment Subsidy		
Balance at the beginning of the year	15.81	19.39
Add: Additions during the year	-	-
Less: Adjusted against depreciation (Refer Note no. 24)	(3.58)	(3.58)
Closing Balance	<u>12.23</u>	<u>15.81</u>
Grand Total	<u><u>12,226.21</u></u>	<u><u>10,002.73</u></u>

3 LONG TERM BORROWINGS	Non-current portion		(₹ in Lacs) Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Secured				
(i) Term loans from banks	3,426.21	2,329.90	1,567.60	990.34
(ii) Others - Vehicle Loan from banks	20.87	57.91	35.05	35.60
(iii) Deferred payment liabilities	417.59	28.80	218.93	86.39
Amount disclosed under the head "other current liabilities" (note 9)	-	-	1,821.58	1,112.33
Total	3,864.67	2,416.61	-	-
3.1 Term loan comprise of the following:				
From Bank				
Rupee Loan	2,414.22	833.04	877.80	-
Foreign Currency Loan	1,011.99	1,496.86	689.80	990.34

3.2 Terms of repayment:
From Banks

Particulars	Weighted average Rate of interest (P.A.)	Installments	Outstanding as at 31 march 2014	Annual repayment schedule			
				2014-15	2015-16	2016-17	2017-18 to 2019-20
Rupee Loan	11.66%	Qtr	3,292.02	877.80	923.36	948.00	542.86
Foreign Currency Loan	3.60%	Qtr	1,701.79	689.80	460.48	275.75	275.76
Others - Vehicle Loan	10.08%	Monthly	55.92	35.05	17.03	2.27	1.57
Deferred Payment Liabilities	-	2 in year	636.52	218.93	189.68	151.88	76.03

3.3 Details of security:

- Term Loans from State Bank of India are secured by way of first charge over entire fixed assets both present & future including equitable mortgage of factory land & buildings and are further secured by way of extension of charge on entire current assets of the company both present & future and are guaranteed by Managing Director & Executive Director of the company.
- Vehicle Loans are secured by hypothecation / lien of the respective vehicles.
- Deferred payment liabilities represents assets acquired on deferred credit terms.

4 DEFERRED TAX LIABILITY (NET)

In accordance with Accounting Standard 22 "Accounting for taxes on Income" (AS-22), the company has accounted for deferred taxes during the year as under:

Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets:

Component	As at 31 March 2014	As at 31 March 2013
Deferred Tax Liabilities:		
(i) Difference in depreciation between Accounting books and tax Return	886.80	726.87
Total	886.80	726.87
Deferred Tax Assets:		
(i) Provision for retirement benefits	(62.00)	(52.85)
(ii) Provision for Bonus	(0.34)	(31.56)
(iii) Provision for doubtful debts and advances	(14.77)	(13.51)
(iv) Expenses allowable u/s 35D of Income Tax Act 1961	(12.44)	-
Total	(89.55)	(97.92)
Net Deferred Tax liability (Assets)	797.25	628.95

5 OTHER LONG TERM LIABILITIES

	As at 31 March 2014	As at 31 March 2013
Security Deposits from Agents	240.76	186.84
Unearned revenue	-	68.80
Total	240.76	255.64

6 PROVISIONS

	Long Term		Short term	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Provision for employee benefits				
Gratuity	111.05	93.10	12.09	9.47
Leave Encashment	54.12	49.48	5.15	3.45
Other provisions				
Provision for Income tax (net of advances)	-	-	-	30.48
Provision for Wealth tax	-	-	2.15	1.69
Proposed dividend	-	-	881.33	440.50
Tax on proposed dividend	-	-	149.78	74.86
Total	165.17	142.58	1,050.50	560.45

7 SHORT-TERM BORROWINGS

	As at 31 March 2014	As at 31 March 2013
Secured - from banks		
Cash / Export Credit Loan	1,010.13	1,197.89
Buyers credit	-	147.03
Total	1,010.13	1,344.92

Cash/Export credit limits from State Bank of India and Citibank N.A. are secured by way of first pari-passue charge both present & future on the company's entire stock of Raw materials, stores spares, Stock in process, Finished goods etc. lying in factory, godowns, elsewhere and including goods in transit, trade receivables and are further secured by way of extension of second pari-passu charge on entire fixed assets of the company both present & future and are guaranteed by Managing Director & Executive Director of the company.

	(₹ in Lacs)	
	As at	As at
	31 March 2014	31 March 2013
8 <u>TRADE PAYABLES</u>		
Trade payables (including acceptances)	2,883.77	2,283.89

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors.

Particulars	As at	As at
	31 March 2014	31 March 2013
i Principal amount remaining unpaid as at end of the year	-	-
ii Interest due on above	-	-
1 Total of (i) & (ii)	-	-
2 Interest paid on delayed payment of principal, paid along with such interest during the year	-	-
3 Interest due on delayed payment of principal, paid without such interest during the year	-	-
4 Interest accrued but not due, in respect of delayed payments of principal due as at end of the year	-	-
5 Total interest due and payable together with that from prior year(s)	-	-
9 <u>OTHER CURRENT LIABILITIES</u>		
	As at	As at
	31 March 2014	31 March 2013
Current maturities of long-term borrowings (Refer note no. 3)	1,821.58	1,112.33
Interest accrued but not due on borrowings	18.13	2.68
Interest accrued and due on borrowings	44.94	19.59
Advance from customers	996.27	471.25
Unearned revenue	-	49.22
Unpaid dividends	5.59	6.99
Other payables		
Statutory dues	234.61	137.63
Employees related liabilities	594.92	430.77
Payables for capital goods	84.96	224.20
Others	5.01	1.33
Total	3,806.01	2,455.98

There are no outstanding dues to be paid to Investor Education and Protection Fund.

NOTE No. 10: FIXED ASSETS

(₹ in lacs)

Sr. No.	Particulars	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1 April 2013	Additions	Sales / adjustment	As at 31 March 2014	As at 1 April 2013	For the Year	On Sales / adjustments	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
A	Tangible Assets										
1	Freehold Land	248.37	923.40	-	1,171.77	-	-	-	-	1,171.77	248.37
2	Leasehold Land	425.17	-	-	425.17	13.54	4.46	-	18.00	407.17	411.63
3	Building	1,992.18	147.17	-	2,139.35	455.57	64.65	-	520.22	1,619.13	1,536.61
4	Plant & Machinery	10,986.55	3,145.80	13.18	14,119.17	5,109.03	1,155.95	9.58	6,255.40	7,863.77	5,877.52
5	Furniture & Fixtures	213.03	47.42	-	260.45	92.14	12.20	-	104.34	156.11	120.89
6	Office Equipment	230.45	27.08	-	257.53	90.48	22.15	-	112.63	144.90	139.97
7	Vehicles	433.80	72.86	29.85	476.81	110.61	42.17	22.18	130.60	346.21	323.19
B	Intangible Assets										
1	Software	100.07	10.65	-	110.72	66.09	16.98	-	83.07	27.65	33.98
2	Patent & Trade Marks	290.19	118.17	-	408.36	65.97	36.51	-	102.48	305.88	224.22
	Total	14,919.81	4,492.55	43.03	19,369.33	6,003.43	1,355.07	31.76	7,326.74	12,042.59	8,916.37
	Previous Year	13,018.10	1,964.31	62.60	14,919.81	4,865.67	1,185.64	47.88	6,003.43	8,916.37	

Note: 1. Addition during the year includes Fixed Assets for Research and Development

Particulars	Additions during the year	Depreciation for the year	Net Block As at 31 March 2014
Tangible Assets			
Plant & Machinery	96.84	10.86	150.23
Furniture & Fixtures	0.37	0.14	2.01
Office Equipment	0.90	0.52	5.01
Intangible Assets			
Software	-	0.13	0.09
Total	98.11	11.65	157.34

2. Borrowing cost of ₹ 28.73 lacs (previous year ₹ 3.85 lacs) have been included in additions to Fixed Assets.

11 <u>NON-CURRENT INVESTMENT</u>	(₹ in Lacs)	
	As at 31 March 2014	As at 31 March 2013
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments - fully paid		
Investment in subsidiaries		
U.S.Safety Syringes Co. LLC, USA USD 300,000 (previous year USD 300,000)	130.33	130.33
Membership Interest		
Less: Provision for diminution in value of investment	(130.33)	-
Poly Medicure (Laiyang) Co. Ltd.China USD 1,100,000 (previous year USD 1,100,000) Membership Interest	472.39	472.39
Investment in associates		
34,500 (27,600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	88.67	88.67
Total	561.06	691.39
Aggregate amount of Unquoted Investment	691.39	691.39
Aggregate provision for diminution in the value of Investment	130.33	-

12 <u>LOANS AND ADVANCES</u>	Long Term		Short term	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
(Unsecured, considered good unless stated otherwise)				
Capital Advances	1,594.55	1,462.83	-	-
Security Deposits				
Considered good	49.75	40.41	37.07	15.77
Considered doubtful	-	-	5.34	3.41
Less: Provision for doubtful deposits	-	-	(5.34)	(3.41)
Loans and advances to subsidiary companies	-	0.85	-	133.53
Other loans and advances				
Advance for goods / services				
Considered Good	-	-	80.83	106.48
Considered Doubtful	-	-	2.40	0.62
Less: Provision for doubtful advances	-	-	(2.40)	(0.62)
Loans and advance to employees	4.78	1.16	24.61	17.52
Prepaid Expenses	-	-	95.23	49.66
Balance with revenue authorities	-	-	717.79	485.77
Service tax and VAT refundable	-	-	63.20	42.80
MAT Credit entitlement	-	-	-	137.48
Advance tax/ tax deducted at source (net of provision)	133.82	-	-	-
Total	1,782.90	1,505.25	1,018.73	989.01

Loans and Advances to subsidiary companies includes:

Due from Poly Medicure (Laiyang) Co. Ltd., China	-	-	-	133.53
Maximum amount outstanding during the year ₹ 133.53 lacs (Previous year ₹ 133.53 lacs)				
Due from US Safety Syringes Co. LLC, USA	-	0.85	-	-
Maximum amount outstanding during the year ₹ 0.99 lacs (Previous year ₹ 0.85 lacs)				

13 <u>OTHER ASSETS</u>	(₹ in Lacs)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Export benefits receivable	-	-	468.56	432.80
Interest accrued on bank deposits	2.27	2.15	3.63	1.53
Premium on forward contracts	-	-	85.85	145.37
Dividend / Governing council share from associates	-	-	52.94	10.40
Other receivable	-	-	207.75	9.77
Non-current bank balances (refer note 16)	164.63	96.38	-	-
Total	166.90	98.53	818.73	599.87

Other receivable includes ₹ 2.33 lacs paid under protest for enhanced cost of land, contested in hon'ble Punjab and Haryana High Court.

14 <u>INVENTORIES</u> (Valued at lower of cost and net realisable value)	As at	As at
	31 March 2014	31 March 2013
Raw Materials including packing materials	2,486.51	2,511.49
Goods-in transit	381.18	111.97
Work-in-progress	320.87	233.39
Finished Goods	588.92	315.51
Stock-in-trade	16.95	30.36
Goods-in transit	23.90	-
Stores and spares	137.40	84.50
Total	3,955.73	3,287.22
Additional disclosure regarding inventories		
Raw Materials including packing materials		
Plastic granules	596.89	523.76
PVC Sheet	31.45	122.19
SS Tube	103.45	75.88
Boxes	74.52	75.35
Medical paper	262.50	202.38
Other miscellaneous items	1,417.70	1,511.93
	2,486.51	2,511.49
Work-in-progress		
I V Cannula	142.33	125.20
Blood Bag	11.99	35.77
Others	166.55	72.42
	320.87	233.39
Finished Goods		
I V Cannula	115.28	69.59
Blood Bag	148.45	64.02
Others	325.19	181.90
	588.92	315.51
Stock in trade		

Poly Medicure Limited
Annual Report 2013-14



Others	16.95	30.36
		(₹ in Lacs)
15 TRADE RECEIVABLES	As at	As at
	31 March 2014	31 March 2013
Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	4,480.65	4,144.05
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	75.91	88.95
Unsecured, considered doubtful	35.73	35.73
Less: Provision for doubtful debts	(35.73)	(35.73)
Total	4,556.56	4,233.00

	Outstanding As at 31 March		Maximum balance outstanding during the year ended	
	2014	2013	2014	2013
Trade receivable includes:				
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	-	228.27	420.15	887.00
Due from Ultra For Medical Products (UMIC), being associate company	272.69	320.37	370.01	320.37

	Non-current As at 31 March		Current As at 31 March	
	2014	2013	2014	2013
Cash and cash equivalent				
Balances with Banks				
In current and cash credit accounts	-	-	1,365.59	24.16
In deposit accounts, with less than 3 months maturity period	-	-	0.13	5.00
Cheques, drafts on hand	-	-	0.17	19.00
Cash on hand (including foreign currency notes)	-	-	6.97	12.96
Other Bank balances				
Balance with Banks in unpaid dividend accounts	-	-	5.59	6.99
Held as margin money	156.69	75.00	-	-
Deposits with more than 3 months but less than 12 months maturity period	-	-	0.20	4.68
Deposits with more than 12 months maturity period	7.94	21.38	-	-
Amount disclosed under the head "other assets" (Refer note 13)	(164.63)	(96.38)	-	-
Total	-	-	1,378.65	72.79

	(₹ in Lacs)	
	Year ended 31 March 2014	Year ended 31 March 2013
17 REVENUE FROM OPERATIONS		
Sale of products		
Manufactured goods	30,255.79	24,603.98
Traded Goods	703.14	574.86
Other operating revenues		
Export Incentives	574.62	320.12
Commission received	-	9.95
Sale of scrap	57.59	88.88
Others	118.02	49.22
Less: Excise duty	(475.84)	(423.22)
Total	31,233.32	25,223.79
Additional disclosures in respect of sale of products		
Finished goods sold		
I V Cannula	14,919.76	10,863.90
Blood Bag	938.72	2,205.33
Others	14,397.31	11,534.75
	30,255.79	24,603.98
Traded goods sold		
Safety scalp vein set	130.92	94.66
Others	572.22	480.20
	703.14	574.86
18 OTHER INCOME	Year ended 31 March 2014	Year ended 31 March 2013
Interest Income	29.61	12.46
Dividend Income	32.98	-
Other non-operating income	-	-
Provisions / Liabilities no longer required written back (net)	2.43	7.76
Miscellaneous Income	41.18	16.54
Total	106.20	36.76
19 COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED		
	Year ended 31 March 2014	Year ended 31 March 2013
Raw Material Consumed		
Inventory at the beginning of the year	1,978.00	1,762.21
Add: Purchases during the year	7,599.32	6,031.90
Less: Inventory at the end of the year	1,958.56	1,978.00
Cost of raw material consumed (A)	7,618.76	5,816.11
Packing Material Consumed		
Inventory at the beginning of the year	533.49	384.72
Add: Purchases during the year	2,461.38	2,265.43
Less: Inventory at the end of the year	527.96	533.49
Cost of packing material consumed (B)	2,466.91	2,116.66
Total (A+B)	10,085.67	7,932.77

(₹ in Lacs)

The above consumption figures are disclosed on the basis of derived figures and are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.

Additional disclosures in respect of raw material and packing material consumed

Raw Material Consumed

Plastic granules	4,057.45	3,936.53
PVC Sheet	209.34	361.88
SS Tube	1,655.24	301.64
Other miscellaneous items	1,696.73	1,216.06
	7,618.76	5,816.11

Packing Material Consumed

Boxes	642.70	566.61
Medical paper	561.11	472.42
Others	1,263.10	1,077.63
	2,466.91	2,116.66

20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended 31 March 14	Year ended 31 March 2013	(Increase) / Decrease
Inventories at the end of year			
Finished Goods and Stock in Trade	605.87	345.87	(260.00)
Work in progress	320.87	233.39	(87.48)
	926.74	579.26	(347.48)
Inventories at the beginning of year			
Finished Goods and Stock in Trade	345.87	251.72	(94.15)
Work in progress	233.39	238.47	5.08
Less: Stock capitalised out of opening stock	-	(21.47)	(21.47)
	579.26	468.72	(110.54)

21 EMPLOYEE BENEFITS EXPENSES

	Year ended 31 March 2014	Year ended 31 March 2013
Salaries, wages and bonus	4,530.35	3,637.46
Gratuity Expenses	28.36	15.27
Contributions to Provident Fund and others	366.19	324.16
Staff Welfare Expenses	55.46	46.89
Total	4,980.36	4,023.78

22 RESEARCH AND DEVELOPMENT EXPENSES

	Year ended 31 March 2014	Year ended 31 March 2013
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	361.35	169.05
Employee benefits expenses including gratuity of ₹ 1.82 lacs (previous year ₹ 5.98 lacs)	163.06	182.50
Power and Fuel	36.94	31.75
Travelling & Conveyance	15.96	12.04
Other Misc Expenses including payment to auditors ₹ 0.17 lacs (previous year ₹ 0.30 lacs)	15.07	4.15
Total Revenue Expenses	592.38	399.49
Capital Expenditure	98.11	50.54
Total amount spent on Research and Development	690.49	450.03

23 <u>OTHER EXPENSES</u>	(₹ in Lacs)	
	Year ended 31 March 2014	Year ended 31 March 2013
Consumption of stores and spare parts	368.65	334.47
Power and Fuel	1,026.39	970.65
Job Work Charges	2,753.92	2,258.52
Other Manufacturing Expenses	31.94	39.75
Repairs to Building	19.98	16.77
Repairs to Machinery	484.60	312.07
Repairs to Others	27.03	41.24
Excise Duty on closing stock	13.11	2.81
Insurance (Net)	46.89	32.96
Rent	32.81	19.05
Rates, Taxes & Fee	47.41	29.14
Wealth tax	2.15	1.69
Travelling & Conveyance	405.64	288.76
Legal & Professional Fees	844.74	297.48
Auditors' Remuneration	15.63	16.18
Directors' Sitting Fees	10.00	8.60
Donations	45.33	25.95
Loss on fixed assets sold/discarded (Net off of gain of ₹ 0.76 lacs , previous year ₹ 0.44 lacs)	0.06	7.01
Bank Charges	146.57	122.45
Loss on Foreign Exchange Fluctuation (net)	433.42	1,574.16
Telephone & Fax Charges	51.40	42.42
Printing & Stationary	24.01	23.42
Postage & Courier	32.65	23.92
Advertisement	5.86	3.07
Commission on sales	264.81	264.94
Freight & Forwarding (Net)	385.38	280.46
Business Promotion	131.16	85.27
Exhibition Expenses	137.75	115.49
Rebate, Discounts & Claims	49.60	59.87
Bad debts written off	1.52	1.35
Provision for diminution in value of investment in subsidiary	130.33	-
Other Miscellaneous Expenses	112.38	62.03
Total	8,083.12	7,361.95
24 <u>DEPRECIATION AND AMORTISATION EXPENSES</u>	Year ended 31 March 2014	Year ended 31 March 2013
Depreciation of tangible assets	1,301.58	1,138.34
Less: Transfer to Pre-operative expenses	(0.43)	-
Amortisation of intangible assets	53.49	47.30
Gross Total	1,354.64	1,185.64
Less: Amortisation of Government Grants (refer note no. 2)	(3.58)	(3.58)
Net Total	1,351.06	1,182.06

25 FINANCE COST	(₹ in Lacs)	
	Year ended 31 March 2014	Year ended 31 March 2013
Interest expense	436.57	509.04
Other borrowing costs	7.50	7.52
Exchange difference to the extent considered as an adjustment to borrowing costs	350.80	73.22
Total	794.87	589.78

26 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
a Contingent liabilities not provided for:		
Show Cause notices from excise department	29.39	29.39
Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
Liabilities against legal case filed under Industrial Dispute Act 1947	1.85	1.85
b Obligations and commitments outstanding:		
Unexpired letters of credit ₹ 336.78 lacs (Previous year ₹ 419.15 lacs) and Guarantees issued by bankers ₹ 571.78 lacs (Previous year ₹ 554.56 lacs), (Net of margins)	908.56	973.71
Bills discounted but not matured	1,499.46	1,202.96
Custom duty against import under Advance Licence Scheme	11.17	753.60
Custom duty against import under EPCG Scheme	50.99	22.31
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	2,644.36	2,391.76

27 FOREIGN CURRENCY FORWARD CONTRACTS REMAINING UNADJUSTED & OUTSTANDING :

Category	Purpose	Currency / Pair of currency	31 March 2014		31 March 2013	
			Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Sell	Hedging	USD INR	33.29	2,011.27	88.59	4,970.00
		EURO INR	5.00	393.83	8.88	643.19
Buy	Hedging	JPY INR	198.60	118.38	57.51	33.80
		JPY USD	2.26	222.73	-	-
		USD INR	8.67	547.55	-	-

28 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	Currency	31 March 2014		31 March 2013	
		Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Trade Receivable	GBP	0.73	72.44	-	-
	JPY	7.27	4.25	-	-
Other Receivable	USD	0.71	42.54	0.24	13.06
Import Payables	USD	1.15	68.63	3.18	172.62
	EURO	1.36	111.80	1.06	73.55
Patents	JPY	-	-	151.68	86.67
	USD	0.29	17.25	0.26	14.03
	EURO	0.02	2.00	0.11	7.60
	SGD	0.01	0.24	0.03	1.32
	JPY	1.52	0.89	-	-

				(₹ in Lacs)	
	GBP	0.16	16.06	0.05	4.32
	AUD	0.02	1.35	0.05	2.97
Legal and Professional Charges	USD	0.09	5.97	-	-
	AUD	3.65	202.23	-	-
	EURO	0.70	57.85	0.79	54.89
Commission Payable	USD	0.50	29.72	1.29	69.88
	EURO	0.09	7.56	0.02	1.43
Freight Payable	USD	0.03	1.59	-	-
Borrowings	USD	21.98	1,287.67	48.53	2,634.23
Lendings	USD	-	-	2.46	133.53

29 Inventories, loans & advances, trade receivables / payables and other current / non-current assets are reviewed annually and in the opinion of the Management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.

The response to letters sent by the Company requesting confirmation of balances has been insignificant. In the management's opinion, in the event of any disparity in the balances, any consequential adjustments required on reconciliation of the balances will not be material in relation to the financial statements of the Company and the same will be adjusted in the financial statements as and when the reconciliation is completed.

30 The Company has made investments in 2 subsidiary companies which are of long term in nature. As per the latest audited/unaudited financial statements, these subsidiary companies have reported accumulated losses aggregating to ₹ 474.64 lacs (previous year ₹ 389.58 lacs). In respect of one subsidiary company namely M/s U. S. Safety Syringes Co. LLC, USA, in view of erosion of its net worth, the diminution in the value of company's investment in the said subsidiary company has been considered as permanent in nature, therefore provision for diminution in the value of investment amounting to ₹ 130.33 lacs has been made. In respect of another subsidiary namely M/s Poly Medicure (Laiyang) Co. Ltd., China, in the opinion of the management, the investments in the said subsidiary company is of strategic in nature and based on the future projections, the past losses of the said subsidiary company would be recouped, hence, such diminution in value of investment has been considered as of temporary in nature and, therefore, no provision of such diminution has been made.

31 RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard (AS)-18 of The Institute of Chartered Accountants of India.

A List of related parties and relationships

a Subsidiaries and Associate

Subsidiaries

- 1 US Safety Syringes Co. LLC, USA
- 2 Poly Medicure (Laiyang) Co. Ltd., China

Associate

Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel

- 1 Mr. Himanshu Baid (Managing Director)
- 2 Mr. Rishi Baid (Executive Director)
- 3 Mr. J. K. Baid (Director- relative of Managing Director & Executive Director)
- 4 Mr. Vishal Baid (President- relative of Managing Director & Executive Director)

c Enterprises over which key management personnel and their relatives exercise significant influence

- 1 Vitromed Healthcare
- 2 Jai Polypan Pvt. Ltd.
- 3 Stilocraft
- 4 Polycure Martech Ltd.
- 5 Jaichand Lal Hulasi Devi Baid Charitable Trust

Poly Medicure Limited
Annual Report 2013-14



(₹ in Lacs)

B Transactions with related parties

Description	Subsidiaries and Associate		Key Management personnel		Enterprises controlled by key management personnel and their relatives	
	Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year
Sales of Goods	622.70	767.94			1,360.61	1,488.70
Ultra for Medical Products Egypt	622.70	767.94				
Vitromed Healthcare					1,360.61	1,488.70
Purchases of Goods					97.98	64.03
Vitromed Healthcare					97.98	64.03
Job work					2,620.68	2,141.22
Vitromed Health Care					2,620.68	2,141.22
Rent received					0.24	0.24
Vitromed Healthcare					0.24	0.24
Rent paid					1.48	1.13
Jai Polypan Pvt. Ltd.					1.48	1.13
Interest on Loan	2.93	8.68				
Poly Medicure (Laiyang) Co. Ltd., China	2.93	8.68				
Directors' Remuneration			562.96	361.27		
Mr. Himanshu Baid			284.17	182.14		
Mr. Rishi Baid			278.79	179.13		
Salary and perquisites			29.15	25.80		
Mr. Vishal Baid			29.15	25.80		
Sitting fees paid			1.00	0.80		
Mr. J. K. Baid			1.00	0.80		
Dividend / Share Governing Council due	42.54	-				
Ultra for Medical Products	42.54	-				
Donation Paid					6.50	1.00
Jaichand Lal Hulasi Devi Baid Charitable Trust					6.50	1.00
Outstanding balances at the year end						
Advance recoverable	-	0.85				
US Safety Syringes Inc., USA	-	0.85				
Loan outstanding	-	108.56				
Poly Medicure (Laiyang) Co. Ltd., China	-	108.56				
Dividend / Share Governing Council outstanding	52.94	10.40				
Ultra for Medical Products	52.94	10.40				
Interest outstanding	-	24.97				
Poly Medicure (Laiyang) Co. Ltd., China	-	24.97				
Directors' Remuneration / Salary payable			238.10	119.68		
Mr. Himanshu Baid			118.40	59.01		
Mr. Rishi Baid			118.25	59.20		
Mr. Vishal Baid			1.45	1.47		
Debtors	272.69	320.37			-	228.27
Ultra for Medical Products	272.69	320.37				
Vitromed Healthcare					-	228.27

(₹ in Lacs)

32 EARNINGS PER SHARE (EPS) OF ₹ 10/- EACH

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Net profit after tax available for equity share holders (₹ In lacs)	4,303.21	2,402.92
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	22,028,869	22,025,000*
Basic Earnings per Share (in ₹)	19.53	10.91
Diluted Earnings per Share		
Weighted Average no. of equity shares outstanding during the year	22,028,869	22,025,000*
Effect of dilutive issue of stock options	22,953	14,741
Weighted average no. of equity shares outstanding for Diluted EPS	22,051,822	22,039,741
Diluted Earnings per Share (in ₹)	19.51	10.90

* Adjusted for issue of Bonus Share in Financial Year 2013-14

33 PAYMENT TO AUDITORS:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Audit Fee	8.50	7.50
Tax audit Fee	1.00	1.00
Limited Review of Results	1.20	1.20
In other capacity		
(a) For Taxation matters	3.50	4.15
(b) For Certification work	0.59	0.88
(c) For Other work	0.00	0.20
Reimbursement of expenses	1.01	1.55
Total	15.80	16.48

34 EMPLOYEE BENEFIT:

The disclosure of employees benefit as defined in the Accounting Standard - 15 (revised) on "Employee Benefits" are as follows:

I Defined Contribution Plan - Provident Fund

During the period, the company has recognised the following amount in statement of profit and loss

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Employers' contribution to provident fund * #	253.77	225.42

* included in "contribution to provident fund and others" under employee benefit expenses (refer note no. 21)

excluding contribution to provident fund transferred to tangible capital work in progress ₹ 0.23 lacs (₹ nil) and to Research and Development Expenses ₹ 4.36 lacs (₹ 6.42 lacs).

(₹ in Lacs)

a) As per Accounting Standard (AS15) "Employee Benefits", the disclosure of employee benefits is as under:

Particulars	For the Year ended 31 March 2014		For the Year ended 31 March 2013	
	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)
Obligations at beginning of the year	102.57	52.93	90.91	43.37
Service Cost - Current	23.49	16.42	20.59	15.14
Interest Cost	8.71	4.50	7.73	3.69
Actuarial (gain) loss	(2.03)	8.20	(7.07)	11.85
Benefit Paid	(9.60)	(22.78)	(9.59)	(21.12)
Obligations at end of the year	123.14	59.27	102.57	52.93
Liability recognised in the Balance Sheet	123.14	59.27	102.57	52.93
Expenses recognised in statement of Profit & Loss	30.18	29.12	21.25	30.67
Expected amount of contribution for the next year	45.64	21.90	38.38	17.75

b) Movement in liability recognised in the Balance Sheet

Particulars	For the Year ended 31 March 2014		For the Year ended 31 March 2013	
	Gratuity (Unfunded)	Leave encashment/Comp ensated Absences (Unfunded)	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)
Obligations at beginning of the year	102.57	52.93	90.91	43.38
Expenses recognised in the statement of profit & Loss	30.18	29.12	21.25	30.67
Benefit Paid	(9.60)	(22.78)	(9.59)	(21.12)
Obligations at end of the year	123.15	59.27	102.57	52.93

c) The principal assumptions used in determining post-employment benefit obligations are as below:

Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	2014 (in%)	2014 (in%)	2013 (in%)	2013 (in%)
Discount Rate	8.5	8.5	8.5	8.5
Future salary increases	6	6	6	6

35 In view of option allowed by the Ministry of Corporate Affairs vide its notification dated 29th December 2011 on AS 11, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded have been accumulated in a "Foreign Currency Monetary Items Translation Difference Account" to be amortised over the balance period of such long term assets or liabilities. Pursuant to such adoption, a sum of ₹ 128.06 lacs is remained to be amortised over the balance period of such assets or liabilities (including current year impact of gain amounting to ₹ 20.62 lacs). Had the option not being exercised, the profits of the company would have been higher by ₹ 20.62 lacs.

36 Borrowing cost of ₹ 72.04 Lacs (previous year ₹ 11.27 Lacs) have been included in capital work in progress.

37 The company is primarily engaged in a business of manufacturing and sale of "Medical Devices" and, hence, there is no reportable segments as per Accounting Standard-17.

(₹ in Lacs)

38 LEASES : OPERATING LEASES

- i) The Company has taken six premises under cancellable operating lease. These lease agreements are normally renewed on expiry.
- ii) Lease rental expenses in respect of operating leases: ₹ 29.74 lacs (previous year ₹ 19.05 lacs)

39 PARTICULARS IN RESPECT OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY THE LISTING AGREEMENTS:

Loans and advance to subsidiary companies:

Particulars	Balance as at		Max. balance O.S. during the year	
	31 March 2014	31 March 2013	2013-14	2012-13
i US Safety Syringes Co. LLC, USA	-	0.85	0.99	0.85
ii Poly Medicure (Laiyang) Co. Ltd., China	-	133.53	133.53	133.53
Total	-	134.38		

40 EMPLOYEE STOCK OPTION SCHEME:

The compensation committee formed by the company in terms of resolution of the Board of Directors, created in accordance with SEBI (Guidelines and any other applicable Rules,) Regulations, a ESOS Scheme called the "Poly Medicure Employee Stock Option Scheme, 2011 (ESOS 2011)" which was further amended in the shareholding meeting held on 27th September 2013. Whereby employees who were granted ESOP under original scheme of 2011 were granted options in addition to the options already granted by reducing exercise price from ₹ 50 to ₹ 25. The terms and conditions of the grant as per the amended Employee Stock Option Scheme, 2011 (ESOS 2011) are as under:

A) Vesting period

- i Original scheme
 - On completion of 24 months from the date of grant of options 50%
 - On completion of 30 months from the date of grant of options for remaining 50%
- ii Under amended scheme for additional shares granted to the employee to whom the options were granted under the earlier scheme.
 - On completion of 12 months from the date of grant of options 100%

B) Exercise period

- i Original scheme
 - Commences from the date of vesting of the options and expires at the end of three months from the date of such vesting
- ii Under amended scheme for additional shares granted to the employee to whom the options were granted under the earlier scheme.
 - Commences from the date of vesting of the options and expires at the end of three months from the date of such vesting.

C) Exercise Price

The exercise price was reduced to ₹ 25 for options granted earlier and for additional options granted in pursuance of amended scheme.

The details of options granted, lapsed and exercised in accordance with amended ESOS 2011 are as under:

Particulars	Year ended	Year ended
	31 March 2014	31 March 2013
I Grant price (₹)	25.00	50.00
II Grant Date - for options granted in the original scheme	9-Sep-11	9-Sep-11
III Grant Date - for additional options granted in the amended scheme	27-Sep-13	--
IV Option Granted (No. of equity shares) - original	20,440	20,440
V Option Granted (No. of equity shares) - additional	16,730	--
VI Option Lapsed (No. of equity shares) - original	4,020	3,710
VII Option Lapsed (No. of equity shares) - additional	312	--
VIII Option exercised and shares allotted (No. of equity shares) - original	8,211	--
IX Option exercised but pending to be allotted (No. of equity shares) - original	1,685	--
X Option exercised (No. of equity shares) - additional	--	--
XI Option Outstanding (No. of equity shares) - original	6,524	16,730
XII Option Outstanding (No. of equity shares) - additional	16,418	--

(₹ in Lacs)

41 VALUE OF IMPORTS CALCULATED ON CIF BASIS IN RESPECT OF :

Particulars	Year ended	
	31 March 2014	31 March 2013
I Raw Materials	5,174.20	3,914.74
II Traded Goods	525.24	432.08
III Stores, Spares & Packing Materials	896.20	553.37
IV Capital Items	2,896.20	1,212.15
Total	9,491.84	6,112.34

42 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS) :

Particulars	Year ended	
	31 March 2014	31 March 2013
I Interest	148.10	169.45
II Traveling Expenses	32.56	27.87
III Legal & Professional Charges	649.89	136.73
IV Commission	100.42	128.29
V Bank Charges	34.00	21.85
VI Exhibition Expenses	94.47	67.14
VII Rates Taxes & Fees	1.78	1.01
VIII Freight and Forwarding	9.33	0.00
Total	1,070.55	552.34

43 VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS AND STORES & SPARES AND PACKING MATERIALS CONSUMED AND PERCENTAGE OF EACH OF THE TOTAL CONSUMPTION:

Particulars	Year ended		Year ended	
	31 March 2014		31 March 2013	
	Value	%	Value	%
1 Raw materials				
Imported	5,417.86	71.11	4139.51	71.17
Indigenous	2,200.90	28.89	1676.60	28.83
Total	7,618.76	100.00	5816.11	100.00
2 Stores, Spares & Packing Material				
Imported	898.95	31.70	914.31	37.30
Indigenous	1,936.61	68.30	1536.81	62.70
Total	2,835.56	100.00	2451.12	100.00

The above does not include material consumed for research and development activities.

44 EARNING IN FOREIGN EXCHANGE (ON ACCRUAL BASIS):

Particulars	Year ended	
	31 March 2014	31 March 2013
I FOB Value of Exports During the Year	20,101.72	15,100.51
II Others (Freight, settlement amount, Insurance, Commission, Interest, fees etc. recovered)	1,295.83	352.08
III Dividend / Governing Council share from Associates	42.54	-
Total	21,440.09	15,452.59

45 THE TOTAL AMOUNT REMITTED IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND IN RESPECT OF SHARES HELD BY NON-RESIDENTS ARE GIVEN HERE UNDER:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
I Number of Non Resident Shareholders	3	3
II Number of Equity Shares held by them	84,000	42,000
III Amount of Dividend paid (Gross) (₹ In lacs)	1.68	1.26
IV Amount of Dividend paid (Gross) (In USD)	-	2,373.47
V Tax Deducted at Sources	-	-
VI Year to which dividend relates	2012-13	2011-12

46 Exceptional items in statement of profit and loss represents one time income of ₹ 991.46 lacs from one of its customer towards settlement of a contract.

47 Previous year figures have been regrouped / rearranged, wherever necessary to confirm current year classifications.

As per our report of even date annexed

For DOOGAR & ASSOCIATES (Reg no.000561N)

Chartered Accountants

M.S. Agarwal

Partner

Membership No.86580

Place: New Delhi

Date: 15.05.2014

For and on behalf of the Board

Himanshu Baid

Managing Director

DIN:00014008

J. K. Oswal

VP (F) and CFO

Rishi Baid

Executive Director

DIN:00048585

Sonia Singh

Company Secretary

Independent Auditors' Report

To the Board of Directors of **Poly Medicare Limited**

We have audited the accompanying consolidated financial statements of Poly Medicare Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We did not audit the Financial Statements of foreign Subsidiaries and Associate whose financial year ends on 31st March, 2014 and 31st December, 2013 respectively and whose financial statements reflect total assets of ₹ 5320.15 lacs as at reporting date, total revenue of ₹ 3930.91 lacs, and net Cash flow amounting to ₹ 46.95 lacs for the year then ended. The financial statements and other financial information of one of subsidiary namely Poly Medicare (Laiyang) Co. Ltd., China and of associate namely Ultra for Medical Products have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. The financial results of the subsidiary namely U.S.Safety Syringes Co., LLC for the year ended 31.03.2014 are unaudited and have been given effect in the consolidated financial statement as certified by the management and our opinion is based solely on the basis of such certification.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Doogar & Associates**
Chartered Accountants
Firm's Reg. No. 000561N

M. S. Agarwal
Partner
M. No. 86580

Place of Signature: New Delhi
Date: 15th May 2014

Poly Medicure Limited
Annual Report 2013-14



Poly Medicure Limited
Consolidated Balance Sheet as at 31 March, 2014

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2014		As at 31 March 2013	
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	2,203.32		1,101.25	
(b) Reserves and surplus	2	12,442.33		10,144.63	
(c) Money Received Against Share Options		0.42	14,646.07	-	11,245.88
2 Minority Interest			(0.24)		(0.21)
3 Non-current liabilities					
(a) Long-term borrowings	3	3,864.67		2,416.61	
(b) Deferred tax liabilities (Net)	4	797.25		628.95	
(c) Other Long term liabilities	5	240.76		255.64	
(d) Long-term provisions	6	165.17	5,067.85	142.58	3,443.78
4 Current liabilities					
(a) Short-term borrowings	7	1,010.13		1,344.92	
(b) Trade payables	8	2,970.78		2,343.20	
(c) Other current liabilities	9	3,849.86		2,510.55	
(d) Short-term provisions	6	1,050.50	8,881.27	560.45	6,759.12
TOTAL			28,594.95		21,448.57
II ASSETS					
1 Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		11,975.87		8,924.48	
(ii) Intangible assets		333.53		259.74	
(iii) Capital work-in-progress		1,335.11		345.83	
(iv) Intangible assets under development		631.25		453.74	
(b) Non-current investments	11	343.11		424.08	
(c) Long-term loans and advances	12	1,782.90		1,504.40	
(d) Other non-current assets	13	166.90	16,568.67	98.53	12,010.80
2 Current assets					
(a) Inventories	14	4,201.04		3,536.22	
(b) Trade receivables	15	4,575.37		4,337.77	
(c) Cash and bank balances	16	1,382.53		79.82	
(d) Short-term loans and advances	12	1,043.64		879.16	
(e) Other current assets	13	823.70	12,026.28	604.80	9,437.77
TOTAL			28,594.95		21,448.57
Significant accounting policies					
Notes on consolidated financial statements	1 - 39				

The Notes referred to above forms an integral part of the Consolidated Balance Sheet

As per our report of even date annexed

For **DOOGAR & ASSOCIATES** (Reg No.000561N)

Chartered Accountants

For and on behalf of the Board of Directors

M. S. Agarwal
Partner
Membership No. 86580

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Place : New Delhi
Date : 15.05.2014

J.K.Oswal
VP (F) and CFO

Sonia Singh
Company Secretary

Poly Medicure Limited
Annual Report 2013-14



Poly Medicure Limited
Consolidated Statement of Profit and Loss for the Year ended 31 March, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2014	Year ended 31 March 2013
INCOME			
Revenue from operations (Gross)	17	32,720.46	26,398.85
Less: Excise Duty		(495.64)	(423.46)
Revenue from operations (Net)		32,224.82	25,975.39
Other income	18	105.11	28.08
Total Revenue (I)		32,329.93	26,003.47
EXPENDITURE			
Cost of raw materials including packing materials consumed	19	10,543.31	8,297.36
Purchases of Stock-in-Trade		575.91	501.08
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(332.42)	(131.86)
Employee benefits expense	21	5,287.48	4,227.15
Research and development expenses	22	592.38	399.49
Other expenses	23	8,133.62	7,516.31
Total (II)		24,800.28	20,809.53
Earnings before Interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		7,529.65	5,193.94
Depreciation and amortization expense	24	1,405.50	1,296.86
Finance cost	25	800.73	591.99
Profit before exceptional items and tax (III)		5,323.42	3,305.09
Exceptional Items (IV)		991.46	-
Profit before tax (V) (III + IV)		6,314.88	3,305.09
Tax expense:			
(1) Current tax		1,766.47	878.43
(2) Tax adjustment for earlier years (net)		1.75	10.96
(3) Deferred tax		168.31	92.01
(4) Minimum Alternative Tax Credit Entitlement for earlier years		(24.65)	(3.82)
Total tax expenses (VI)		1,911.88	977.58
Profit for the year (V - VI)		4,403.00	2,327.51
Add: Share of profit from associates		106.38	88.67
Add: Loss attributable to Minority Interest		-	6.79
Net Profit for the year		4,509.38	2,422.97
Earnings per equity share: (Face value ₹ 10 each) in rupees	31		
Basic		20.47	11.00
Diluted		20.45	10.99
Significant accounting policies			
Notes on consolidated financial statements	1 - 39		

The Notes referred to above form an integral part of the Consolidated Statement of Profit and Loss

As per our report of even date annexed

For **DOOGAR & ASSOCIATES** (Reg No.000561N)

Chartered Accountants

M. S. Agarwal
Partner
Membership No. 86580

Place : New Delhi
Date : 15.05.2014

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

J.K.Oswal
VP (F) and CFO

Sonia Singh
Company Secretary

Poly Medicure Limited
Annual Report 2013-14



Poly Medicure Limited
Consolidated Cash Flow Statement for the year ended 31 March 2014

(₹ in Lacs)

Particulars	Year ended	
	31 March 2014	31 March 2013
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	5,323.42	3,305.09
Adjusted for:		
Exceptional Items	991.46	-
Depreciation and amortisation	1,405.50	1,296.86
Interest expense	800.73	591.99
Interest income	(26.67)	(3.78)
Dividend on non-trade investments	(32.98)	-
Loss/(profit) on sale of fixed assets, net	0.06	6.70
Debts/advances written off	1.52	6.26
Credit balances no longer required, written back	(4.28)	(7.76)
Provision for Wealth tax	2.15	1.69
Deferred employee compensation expenses	34.35	29.56
Unrealised foreign exchange (gain) /loss	67.08	(50.79)
Other adjustments including minority	52.67	(11.79)
Operating profit before working capital changes	8,615.01	5,164.03
Movement in working capital		
Decrease/ (increase) in sundry debtors	(342.21)	(987.57)
Decrease/(Increase) in loans and advances	(598.48)	6.13
Decrease/(increase) in inventories	(664.82)	(526.33)
Increase/ (decrease) in current liabilities and provisions	1,314.78	928.47
Cash generated from operations	8,324.28	4,584.73
Direct taxes paid (net of refunds)	(1,770.39)	(701.20)
Net cash from operating activities	6,553.89	3,883.53
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(5,851.57)	(3,083.43)
Proceeds from / (Investment in) Fixed Deposits (net)	4.48	6.10
Proceeds from sale of fixed assets	11.21	10.21
Dividend and Interest income	59.65	3.78
Net cash used for investing activities	(5,776.23)	(3,063.34)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans (net of repayment)	1,843.14	173.53
Proceeds from ESOPs	2.06	-
Money Received Against Share Options	0.42	-
Dividend Paid	(440.50)	(330.38)
Dividend Tax Paid	(74.86)	(53.60)
Interest / Finance charges paid	(800.73)	(591.99)
Net cash from (used for) financing activities	529.53	(802.44)
Net increase in cash and cash equivalents (A+B+C)	1,307.19	17.75
Cash and cash equivalents at the beginning of the year	75.14	57.39
Cash and cash equivalents at the end of the year	1,382.33	75.14

Notes

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 cash Flow Statement This is the Cash Flow Statement referred to in our report of even date.

For **DOOGAR & ASSOCIATES** (Reg No.000561N)
Chartered Accountants

M. S. Agarwal
Partner
Membership No. 86580

Place : New Delhi
Date : 15.05.2014

For and on behalf of the Board of Directors

Himanshu Baid Rishi Baid
Managing Director Executive Director
DIN: 00014008 DIN: 00048585

J.K.Oswal Sonia Singh
VP (F) and CFO Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

a) BASIS OF ACCOUNTING

- i) Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and to comply with Accounting Standards prescribed in Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the powers conferred under section 642(1)(a) and the relevant provisions of the Companies Act, 1956 (“the Act”) read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- ii) The Company follows the mercantile system of accounting & recognizes the income & expenditure on accrual basis.
- iii) All assets and liabilities have been classified as Current or Non-current as per Company’s normal operating cycle and other criterias set out in Revised Schedule VI to Companies Act 1956. Based on the nature of products and time between acquisition of assets/materials for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of one year for the purpose of classification of assets and liabilities as current and non-current.

b) USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

c) PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements represent consolidation of accounts of the Company and its subsidiaries and Associates.

The Consolidated Financial statements relate to the Poly Medicure Group. In the preparation of these Consolidated Financial Statements, investments in Subsidiary have been accounted for in accordance with Accounting Standard (AS) 21. The “Consolidated Financial Statements” are prepared on the following basis:

- i) The Financial Statements of the Company and its Subsidiaries are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses in accordance with Accounting Standard (AS) 21. The items of income and expenses are consolidated only for the period from which the companies became the company’s subsidiary.
- ii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions or other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company’s separate financial statements. The Financial Statements of the Foreign Subsidiaries are adjusted for the accounting principles and policies followed by the Company.
- iii) The difference between the costs to the Company of its investment in Subsidiaries over its proportionate share in the equity of the investee company at the time of acquisition of shares in the Subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment by the management on annual basis.
- iv) Companies considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	Holding as on 31 March 2014	Financial year ends on
Subsidiary			
U.S.Safety Syringes Co., LLC	USA	75%	31-Mar-14
Poly Medicure (Laiyang) Company Limited	China	100%	31-Mar-14
Associates			
Ultra For Medical Products Company (Ultra Med)	Egypt	23%	31-Dec-13

The financial results of one of the subsidiary namely U.S.Safety Syringes Co., LLC for the year ended 31.03.2014 are unaudited and have been given effect in the consolidated financial statement as certified by the management.

d) FIXED ASSETS

Fixed assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost of acquisition or construction is inclusive of direct cost, incidental expenses and borrowing cost related to such acquisition or construction.

e) INVESTMENTS

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are valued at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of non-current investments.

f) DEPRECIATION AND AMORTISATION

- i) Depreciation on fixed assets is provided for on the Straight Line method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 except on fixed assets with 100% rate of depreciation which are fully depreciated in the year of addition.
- ii) Premium on Leasehold land is amortised over the period of lease.
- iii) Intangible assets are amortised on straight line basis over their estimated useful life. In respect of Patents & Trademarks, useful life has been estimated by the Management as 10 years unless otherwise stated in the relevant documents and in case of Specialized Software as 3 years. Depreciation Charge/Amortisation on impaired assets is provided by adjusting in the future/remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

g) INVENTORIES

Inventories have been valued at lower of cost or net realisable value. In respect of stores and spares, packing material and raw material, cost has been arrived at on FIFO basis. In case of work in progress and finished goods, cost has been arrived at on standard cost basis. Scrap has been valued at estimated realisable value.

h) REVENUE RECOGNITION

- i) Revenue from sales is recognised on despatch of goods in accordance with the terms of sale.
- ii) Sales and purchases are exclusive of inter-unit transfers.
- iii) Export Incentives and benefits are accounted for on accrual basis when virtual certainty and their probable use within reasonable time in the normal course of business, is established.
- iv) Revenue from Services is recognized when the related services are performed.
- v) Interest is recognized using the time proportion method. Dividend income is recognized when the company's right to receive dividend is established.
- vi) Other items of Income are accounted as and when right to receive arise.
- vii) Non-compete fees received are apportioned proportionately over the period of such agreement.

i) EXTRAORDINARY AND EXCEPTIONAL ITEMS

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events/ transactions is made in the financial statements. Similarly, any external events beyond the control of the company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company, is such that its disclosure improves an understanding of the performance of the company. Such income or expense is classified as an exceptional items and accordingly disclosed in the notes to accounts.

j) FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES

- i) Transactions denominated in the foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

- ii) Monetary items denominated in foreign currencies other than those covered by forward exchange contracts are transferred into rupees equivalent at the rate of exchange prevailing on the Balance Sheet date. Non-monetary items, which are carried at historical costs denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange differences that arise on settlement of monetary items or on reporting date are recognized as income or expense in the period in which they arise.
- iii) Non-monetary items, which are carried at historical costs denominated in a foreign currency are reported using the exchange rate at the date of the transactions.
- iv) Exchange difference arising on Forward Contracts are recognized in the period in which they arise and the premium paid/received is accounted as expense/income over the period of the contract.
- v) The company intends to adopt Accounting Standard (AS-30), "Financial Instruments, Recognition and Measurement" in due course. Till the adoption of AS 30, Mark to Market losses or gains on un-expired Forward Contracts entered into to hedge the risk of changes in Foreign Currency Exchange Rate on future export sales against the existing long term contracts are accounted for on maturity of the contracts so as to safe guard against considerable volatility in foreign exchange rates during the intervening period.
- vi) In accordance with Accounting Standard - 11 "Accounting for the effects of changes in foreign exchange rate", exchange differences arising in respect of long term foreign currency monetary items:
 - used for acquisition of depreciable capital assets are added to or deducted from the cost of assets and are depreciated over the balance life of assets.
 - used for purpose other than acquisition of depreciable assets are accumulated in "foreign currency monetary items translation differences account" and amortised over the balance period of such assets or liabilities.

k) GOVERNMENT GRANTS

Capital subsidy under 15% central investment subsidy scheme of Government of uttarakhand is recognised on a systematic and rational basis by adopting deferred income approach in proportion of the applicable depreciation over the remaining useful life of the respective assets and is adjusted against the depreciation in statement of profit and loss.

l) RETIREMENT BENEFITS

- i) Retirement benefits in the form of Provident fund is accounted on accrual basis and charged to the Statement of Profit & Loss.
- ii) Provision for liability towards gratuity and unavailed earned leaves benefits to employees is made on the basis of actuarial valuation.

m) EMPLOYEE STOCK COMPENSATION COST

In respect of employees option granted by the company, the excess of market price of the share over the exercise price of the option at the grant date is treated as employee compensation cost and is amortised over the vesting period.

n) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of the qualifying assets are capitalised as part of the cost of such assets, till the assets are ready for use. All other borrowing costs are charged to revenue in the period in which they are incurred.

o) LEASES

- i) Finance leases or similar arrangement, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed as leased assets. Finance charges are charged directly against income.
- ii) Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- iii) Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

p) EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the company's EPS comprise the Net Profit or Loss for the period after tax and extra ordinary items. The basic EPS is computed on the basis of weighted average number of equity shares outstanding

during the year. The number of shares for computation of diluted EPS comprises of weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

q) TAXES ON INCOME

- i) Tax expense for the year comprises of Current Tax, and Deferred Tax. Current taxes are measured at the current rate of tax in accordance with provisions of the Income Tax Act, 1961.
- ii) Deferred tax Assets and Liabilities are recognized for future tax consequences attributable to the timing differences that result between taxable profit and the profit as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date,
- iii) Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses under tax laws to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- iv) The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statement of Profit and Loss in the year of change.

r) IMPAIRMENT OF ASSETS

The carrying values of fixed assets and other assets of a cash generating unit are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, if any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets of the cash generating units are written down to their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the assets belongs Impairment losses are recognised in the Statement of Profit and Loss.

s) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes.

Contingent liability is disclosed in case of :

- a. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
 - b. a present obligation arising from past events, when no reliable estimate is possible,
 - c. a possible obligation arising from past events where the probability of outflow of resources is not remote.
- Contingent Assets are neither recognised nor disclosed in the financial statements.

t) MEASUREMENT OF EBITDA

The company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs, exceptional items and tax expense.

u) CASH AND CASH EQUIVALENTS

For the purpose of cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

	(₹ in Lacs)	
	As at 31 March 2014	As at 31 March 2013
1 SHARE CAPITAL		
Authorised share Capital		
30,000,000 (15,000,000) Equity Shares of ₹ 10 each	3,000.00	1,500.00
Issued, subscribed & paid up shares		
22,033,211 (11,012,500) Equity Shares of ₹ 10 each fully paid up	2,203.32	1,101.25
Total	2,203.32	1,101.25

1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2014		As at 31 March 2013	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	11,012,500	1,101.25	11,012,500	1,101.25
Add: Issued during the year by way of Bonus Share	11,012,500	1,101.25	-	-
Add: Issued during the year by way of ESOS	8,211	0.82	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of year	22,033,211	2,203.32	11,012,500	1,101.25

1.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2014, the amount of per share dividend recognised as distribution to equity shareholders is ₹ 4 (31st March 2013 ₹ 2)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

1.3 Details of shareholders' holding more than 5% shares in the company

	As at 31 March 2014		As at 31 March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M/s Allegeny Finlease private Limited	3,142,339	14.26%	1,573,019	14.28%
Shri Rishi Baid	2,456,512	11.15%	1,228,256	11.15%
M/s BS Trade Invest Private Limited	2,398,560	10.89%	1,199,280	10.89%
Shri Himanshu Baid	2,018,656	9.16%	1,009,328	9.17%

The aforesaid disclosure is based upon percentages computed separately for class of shares outstanding, as at the balance sheet date. As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

1.4 Shares allotted for consideration other than cash

Particulars	No. of Shares
Equity Shares :	
Aggregate number of equity shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account and General Reserves during the financial year 2013-14 and also in preceding five financial years.	16,518,750

2 RESERVES AND SURPLUS	(₹ in Lacs)	
	As at 31 March 2014	As at 31 March 2013
Capital Reserves		
Surplus on re-issue of forfeited shares	13.19	13.19
Application money received on Preferential Warrants issued to promoters forfeited	33.79	33.79
Capital reserve on change in interest in equity of associates	128.49	63.89
Securities Premium Account		
Balance at the beginning of the year	6.77	6.77
Less: Utilised for issue of Bonus Share during the year	(6.77)	-
Add: Additions during the year	23.98	-
Closing Balance	23.98	6.77
Foreign Currency Monetary Translation Account		
Balance at the beginning of the year	(148.68)	(49.55)
Add: Additions during the year	20.62	(99.13)
Closing Balance	(128.06)	(148.68)
Employees Stock Option Outstanding Account (net of options lapsed)	45.49	42.16
Add: Additional options granted	36.25	-
Less: Transferred to Share premium Account on allotment of options	(22.74)	-
Less: Deferred Employee Compensation Expenses	(17.83)	(12.60)
	41.17	29.56
General Reserve		
Balance at the beginning of the year	6,351.38	5,351.38
Less: Utilised for issue of Bonus Share during the year	(1,094.48)	-
Add: Additions during the year	1,500.00	1,000.00
Closing Balance	6,756.90	6,351.38
Foreign currency fluctuation reserve	139.81	173.08
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	3,422.99	2,515.38
Add: Additions during the year	4,509.38	2,422.97
Less: Proposed Dividend	(881.33)	(440.50)
Less: Tax on Proposed Dividend	(149.78)	(74.86)
Less: Transferred to General Reserve	(1,500.00)	(1,000.00)
Closing Balance	5,401.26	3,422.99
Shares in reserves in associates	19.57	182.85

(₹ in Lacs)

Government Grants (Deferred Income Approach)

Capital Investment Subsidy		
Balance at the beginning of the year	15.81	19.39
Add: Additions during the year	-	-
Less: Adjusted against depreciation (Refer Note no. 24)	(3.58)	(3.58)
Closing Balance	12.23	15.81
Grand Total	12,442.33	10,144.63

3 LONG TERM BORROWINGS

	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2014	2013	2014	2013
Secured				
(i) Term loans from banks	3,426.21	2,329.90	1,567.60	990.34
(ii) Others - Vehicle Loan from banks	20.87	57.91	35.05	35.60
(iii) Deferred payment liabilities	417.59	28.80	218.93	86.39
Amount disclosed under the head "other current liabilities" (note 9)	-	-	1,821.58	1,112.33
Total	3,864.67	2,416.61	-	-

3.1 Term loan comprise of the following:

From Bank				
Rupee Loan	2,414.22	833.04	877.80	-
Foreign Currency Loan	1,011.99	1,496.86	689.80	990.34

3.2 Terms of repayment:

From Banks

Lending institution	Weighted average Rate of interest (P.A.)	Installments	Outstanding as at 31.3.2014	Annual repayment schedule			
				2014-15	2015-16	2016-17	2017-18 to 2019-20
Rupee Loan	11.66%	Qtr	3,292.02	877.80	923.36	948.00	542.86
Foreign Currency Loan	3.60%	Qtr	1,701.79	689.80	460.48	275.75	275.76
Others - Vehicle Loan	10.08%	Monthly	55.92	35.05	17.03	2.27	1.57
Deferred Payment Liabilities	-	2 in year	636.52	218.93	189.68	151.88	76.03

3.3 Details of security:

- Term Loans from State Bank of India are secured by way of first charge over entire fixed assets both present & future including equitable mortgage of factory land & buildings and are further secured by way of extension of charge on entire current assets of the company both present & future and are guaranteed by Managing Director & Executive Director of the company.
- Vehicle Loans are secured by hypothecation/lien of the respective vehicles.
- Deferred payment liabilities represents assets acquired on deferred credit terms.

4 DEFERRED TAX LIABILITY (NET)

In accordance with Accounting Standard 22 "Accounting for taxes on Income" (AS-22), the company has accounted for deferred taxes during the year as under:

Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets:

Component	As at 31 March 2014	As at 31 March 2013
Deferred Tax Liabilities:		
(i) Difference in depreciation between Accounting books and tax Return	886.80	726.87
Total	886.80	726.87
Deferred Tax Assets:		
(i) Provision for retirement benefits	(62.00)	(52.85)
(ii) Provision for Bonus	(0.34)	(31.56)
(iii) Provision for doubtful debts and advances	(14.77)	(13.51)
(iv) Expenses allowable u/s 35D of Income Tax Act	(12.44)	-
Total	(89.55)	(97.92)
Net Deferred Tax liability (Assets)	797.25	628.95

5 OTHER LONG TERM LIABILITIES

	As at 31 March 2014	As at 31 March 2013
Security Deposits from Agents	240.76	186.84
Unearned revenue	-	68.80
Total	240.76	255.64

6 PROVISIONS

	Long Term		Short term	
	As at 31 March 2014	2013	As at 31 March 2014	2013
Provision for employee benefits				
Gratuity	111.05	93.10	12.09	9.47
Leave Encashment	54.12	49.48	5.15	3.45
Other provisions				
Provision for Income tax (net of advances)	-	-	-	30.48
Provision for Wealth tax	-	-	2.15	1.69
Proposed dividend	-	-	881.33	440.50
Tax on proposed dividend	-	-	149.78	74.86
Total	165.17	142.58	1,050.50	560.45

7 SHORT-TERM BORROWINGS

	As at 31 March 2014	As at 31 March 2013
Secured - from banks		
Cash / Export Credit Loan	1,010.13	1,197.89
Buyers credit	-	147.03
Total	1,010.13	1,344.92

(₹ in Lacs)

Cash/Export credit limits from State Bank of India and Citibank N.A. are secured by way of first pari-passu charge both present & future on the company's entire stock of Raw materials, stores spares, Stock in process, Finished goods etc. lying in factory, godowns, elsewhere and including goods in transit, trade receivables and are further secured by way of extension of second pari-passu charge on entire fixed assets of the company both present & future and are guaranteed by Managing Director & Executive Director of the company.

8 TRADE PAYABLES

	As at 31 March 2014	As at 31 March 2013
Trade payables (including acceptances)	2,970.78	2,343.20

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors.

Particulars	As at 31 March 2014	As at 31 March 2013
i Principal amount remaining unpaid as at end of the year	-	-
ii Interest due on above	-	-
1 Total of (i) & (ii)	-	-
2 Interest paid on delayed payment of principal, paid along with such interest during the year	-	-
3 Interest due on delayed payment of principal, paid without such interest during the year	-	-
4 Interest accrued but not due, in respect of delayed payments of principal due as at end of the year	-	-
5 Total interest due and payable together with that from prior year(s)	-	-

9 OTHER CURRENT LIABILITIES

	As at 31 March 2014	As at 31 March 2013
Current maturities of long-term borrowings (Refer note no. 3)	1,821.58	1,112.33
Interest accrued but not due on borrowings	18.13	33.60
Interest accrued and due on borrowings	44.94	19.59
Advance from customers	996.27	471.25
Unearned revenue	-	49.22
Unpaid dividends	5.59	6.99
Other payables		
Statutory dues	247.14	137.63
Employees related liabilities	621.96	448.51
Payables for capital goods	84.96	224.20
Others	9.29	7.24
Total	3,849.86	2,510.55

There are no outstanding dues to be paid to Investor Education and Protection Fund.

NOTE No. 10: FIXED ASSETS

(₹ in lacs)

Sr. No.	Particulars	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1 April 2013	Additions	Sales / adjustment	As at 31 March 2014	As at 1 April 2013	For the Year	On Sales / adjustments	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
A	Tangible Assets										
1	Freehold Land	248.37	923.40	-	1,171.77	-	-	-	-	1,171.77	248.37
2	Leasehold Land	425.17	-	-	425.17	13.55	4.46	-	18.01	407.16	411.62
3	Building	2,100.86	147.17	-	2,248.03	480.42	71.67	-	552.09	1,695.94	1,620.44
4	Plant & Machinery	11,421.42	3,197.32	13.18	14,605.56	5,366.47	1,200.60	9.58	6,557.49	8,048.07	6,054.95
5	Furniture & Fixtures	213.65	47.42	-	261.07	92.71	12.21	-	104.92	156.15	120.94
6	Office Equipment	251.00	28.96	-	279.96	106.03	23.36	-	129.39	150.57	144.97
7	Vehicles	433.80	72.86	29.85	476.81	110.61	42.17	22.18	130.60	346.21	323.19
B	Intangible Assets										
1	Software	100.07	10.65	-	110.72	66.09	16.98	-	83.07	27.65	33.98
2	Patent & Trade Marks	487.01	118.17	196.82	408.36	261.25	38.05	196.82	102.48	305.88	225.76
	Total	15,681.35	4,545.95	239.85	19,987.45	6,497.13	1,409.50	228.58	7,678.05	12,309.40	9,184.22
	Previous Year	13,732.32	2,014.54	65.51	15,681.35	5,248.75	1,269.77	48.60	6,497.13	9,184.22	

Note: 1. Addition during the year includes Fixed Assets for Research and Development

Particulars	Additions during the year	Depreciation for the year	Net Block As at 31 March 2014
Tangible Assets			
Plant & Machinery	96.84	10.86	150.23
Furniture & Fixtures	0.37	0.14	2.01
Office Equipment	0.90	0.52	5.01
Intangible Assets			
Software	-	0.13	0.09
Total	98.11	11.65	157.34

2. Borrowing cost of ₹ 28.73 lacs (previous year ₹ 3.85 lacs) have been included in additions to Fixed Assets.

Poly Medicure Limited
Annual Report 2013-14



		(₹ in Lacs)			
		As at		As at	
		31 March 2014		31 March 2013	
11	<u>NON-CURRENT INVESTMENT</u>				
	Trade investments (valued at cost unless stated otherwise)				
	Unquoted equity instruments - fully paid				
	Investment in associates				
	34500 (27600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	343.11		424.08	
	Total (Aggregate amount of unquoted investment)	343.11		424.08	
12	<u>LOANS AND ADVANCES</u>				
	(Unsecured, considered good unless stated otherwise)				
		Long Term		Short term	
		As at 31 March		As at 31 March	
		2014	2013	2014	2013
	Capital Advances	1,594.55	1,462.83	-	-
	Security Deposits				
	Considered good	49.75	40.41	37.07	15.77
	Considered doubtful	-	-	5.34	3.41
	Less: Provision for doubtful deposits	-	-	(5.34)	(3.41)
	Other loans and advances				
	Advance for goods / services				
	Considered Good	-	-	115.52	123.38
	Considered Doubtful	-	-	2.40	0.62
	Less: Provision for doubtful advances	-	-	(2.40)	(0.62)
	Loans and advance to employees	4.78	1.16	24.61	17.52
	Prepaid Expenses	-	-	98.13	57.46
	Balance with revenue authorities	-	-	717.79	485.77
	Service tax and VAT refundable	-	-	50.52	41.78
	MAT Credit entitlement	-	-	-	137.48
	Advance tax/ tax deducted at source (net of provision)	133.82	-	-	-
	Total	1,782.90	1,504.40	1,043.64	879.16
13	<u>OTHER ASSETS</u>				
		Non-current		Current	
		As at 31 March		As at 31 March	
		2014	2013	2014	2013
	Export benefits receivable	-	-	468.56	432.80
	Interest accrued on bank deposits	2.27	2.15	3.63	1.53
	Premium on forward contracts	-	-	85.85	145.37
	Dividend / Governing council share from associates	-	-	52.94	10.40
	Other receivable	-	-	212.72	14.70
	Non-current bank balances (refer note 16)	164.63	96.38	-	-
	Total	166.90	98.53	823.70	604.80

Other receivable includes ₹ 2.33 lacs paid under protest for enhanced cost of land, contested in hon'ble Punjab and Haryana High Court.

	(₹ in Lacs)	
	As at 31 March 2014	As at 31 March 2013
14 INVENTORIES		
(Valued at lower of cost and net realisable value)		
Raw Materials including packing materials	2,562.88	2,580.05
Goods-in transit	383.28	112.55
Work-in-progress	402.10	328.36
Finished Goods	670.74	398.65
Stock-in-trade	16.95	30.36
Goods-in transit	23.90	-
Stores and spares	141.19	86.25
Total	4,201.04	3,536.22
Additional disclosure regarding inventories		
Raw Materials including packing materials		
Plastic granules	596.89	523.76
PVC Sheet	31.45	122.19
SS Tube	103.45	75.88
Boxes	74.52	75.35
Medical paper	262.50	202.38
Other miscellaneous items	1,494.07	1,580.49
	2,562.88	2,580.05
Work-in-progress		
I V Cannula	142.33	125.20
Blood Bag	11.99	35.77
Others	247.78	167.39
	402.10	328.36
Finished Goods		
I V Cannula	115.28	69.59
Blood Bag	148.45	64.02
Others	407.01	265.04
	670.74	398.65
Stock in trade		
Others	16.95	30.36
15 TRADE RECEIVABLES		
	As at 31 March 2014	As at 31 March 2013
Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	4,499.46	4,248.82
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	75.91	88.95
Unsecured, considered doubtful	35.73	35.73
Less: Provision for doubtful debts	(35.73)	(35.73)
Total	4,575.37	4,337.77

		(₹ in Lacs)			
		Outstanding		Maximum balance	
		As at 31 March		As at 31 March	
		2014	2013	2014	2013
Trade receivable includes:					
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners					
		-	228.27	420.15	887.00
Due from Ultra For Medical Products (UMIC), being associate company					
		272.69	320.37	370.01	320.37
16	<u>CASH AND BANK BALANCES</u>	Non-current		Current	
		As at 31 March		As at 31 March	
		2014	2013	2014	2013
Cash and cash equivalent					
Balances with Banks					
In current and cash credit accounts					
		-	-	1,368.15	27.94
In deposit accounts, with original maturity of less than 3 months					
		-	-	0.13	5.00
Cheques, drafts on hand					
		-	-	0.17	19.00
Cash on hand (including foreign currency notes)					
		-	-	8.29	16.21
Other Bank balances					
Balance with Banks in unpaid dividend accounts					
		-	-	5.59	6.99
Held as margin money					
		156.69	75.00	-	-
Deposits with original maturity for more than 3 months but less than 12 months					
		-	-	0.20	4.68
Deposits with original maturity for more than 12 months					
		7.94	21.38	-	-
Amount disclosed under the head "other assets" (Refer note 13)					
		(164.63)	(96.38)	-	-
Total		-	-	1,382.53	79.82
17	<u>REVENUE FROM OPERATIONS</u>	Year ended		Year ended	
		31 March 2014		31 March 2013	
Sale of products					
Manufactured goods					
		31,267.09		25,355.82	
Traded Goods					
		703.14		574.86	
Other operating revenues					
Export Incentives					
		574.62		320.12	
Commission received					
		-		9.95	
Sale of scrap					
		57.59		88.88	
Others					
		118.02		49.22	
Less: Excise duty					
		(495.64)		(423.46)	
Total		32,224.82		25,975.39	
Additional disclosures in respect of sale of products					
Finished goods sold					
I V Cannula					
		14,919.76		10,863.90	
Blood Bag					
		938.72		2,205.33	
Others					
		15,408.61		12,286.59	
		31,267.09		25,355.82	

		(₹ in Lacs)	
Traded goods sold			
	Safety scalp vein set	130.92	94.66
	Others	572.22	480.20
		703.14	574.86
18	<u>OTHER INCOME</u>	Year ended	Year ended
		31 March 2014	31 March 2013
	Interest Income	26.67	3.78
	Dividend Income	32.98	-
	Other non-operating income		
	Provisions / Liabilities no longer required written back (net)	4.28	7.76
	Miscellaneous Income	41.18	16.54
	Total	105.11	28.08
19	<u>COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED</u>	Year ended	Year ended
		31 March 2014	31 March 2013
	Raw Material Consumed		
	Inventory at the beginning of the year	2,046.56	1,818.33
	Add: Purchases during the year	8,064.77	6,408.93
	Less: Inventory at the end of the year	2,034.93	2,046.56
	Cost of raw material consumed (A)	8,076.40	6,180.70
	Packing Material Consumed		
	Inventory at the beginning of the year	533.49	384.72
	Add: Purchases during the year	2,461.38	2,265.43
	Less: Inventory at the end of the year	527.96	533.49
	Cost of packing material consumed (B)	2,466.91	2,116.66
	Total (A+B)	10,543.31	8,297.36
The above consumption figures are disclosed on the basis of derived figures and are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.			
	Raw Material Consumed		
	Plastic granules	4,057.45	3,936.53
	PVC Sheet	209.34	361.88
	SS Tube	1,655.24	301.64
	Other miscellaneous items	2,154.37	1,580.65
		8,076.40	6,180.70
	Packing Material Consumed		
	Boxes	642.70	566.61
	Medical paper	561.11	472.42
	Others	1,263.10	1,077.63
		2,466.91	2,116.66

(₹ in Lacs)

20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year ended 31 March 2014	Year ended 31 March 2013	(Increase) / Decrease
Inventories at the end of year			
Finished Goods and Stock in Trade	687.69	429.01	(258.68)
Work in progress	402.10	328.36	(73.74)
	1,089.79	757.37	(332.42)
Inventories at the beginning of year			
Finished Goods and Stock in Trade	429.01	364.05	(64.96)
Work in progress	328.36	282.93	(45.43)
Less: Stock capitalised out of opening stock	-	(21.47)	(21.47)
	757.37	625.51	(131.86)

21 EMPLOYEE BENEFITS EXPENSES

	Year ended 31 March 2014	Year ended 31 March 2013
Salaries, wages and bonus	4,832.14	3,833.99
Gratuity Expenses	28.36	15.27
Contributions to Provident Fund and others	366.19	324.16
Staff Welfare Expenses	60.78	53.73
Total	5,287.47	4,227.15

22 RESEARCH AND DEVELOPMENT EXPENSES

	Year ended 31 March 2014	Year ended 31 March 2013
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	361.35	169.05
Employee benefits expenses including gratuity of ₹ 1.82 lacs (previous year ₹ 5.98 lacs)	163.06	182.50
Power and Fuel	36.94	31.75
Travelling & Conveyance	15.96	12.04
Other Misc Expenses including payment to auditors ₹ 0.17 lacs (previous year ₹ 0.30 lacs)	15.07	4.15
Total Revenue Expenses	592.38	399.49
Capital Expenditure	98.11	50.54
Total amount spent on Research and Development	690.49	450.03

23 <u>OTHER EXPENSES</u>	(₹ in Lacs)	
	Year ended 31 March 2014	Year ended 31 March 2013
Consumption of stores and spare parts	368.65	334.47
Power and Fuel	1,074.75	1,000.79
Job Work Charges	2,753.92	2,258.52
Other Manufacturing Expenses	31.94	42.85
Repairs to Building	21.41	17.19
Repairs to Machinery	484.60	312.07
Repairs to Others	35.04	49.20
Excise Duty on closing stock	13.11	2.81
Insurance (Net)	83.20	57.98
Rent	67.05	45.83
Rates, Taxes & Fee	47.71	29.40
Wealth tax	2.15	1.69
Travelling & Conveyance	416.10	303.25
Legal & Professional Fees	852.43	299.16
Auditors' Remuneration	16.55	17.01
Directors' Sitting Fees	10.00	8.60
Donations	45.33	25.95
Loss on fixed assets sold/discarded (Net off of gain of ₹ 0.76 lacs , previous year ₹ 0.44 lacs)	0.06	6.70
Bank Charges	146.57	122.45
Loss on Foreign Exchange Fluctuation (net)	433.42	1,574.16
Telephone & Fax Charges	53.89	44.95
Printing & Stationary	24.01	23.42
Postage & Courier	32.65	23.92
Advertisement	5.86	3.07
Commission on sales	264.81	264.94
Freight & Forwarding (Net)	409.01	309.72
Business Promotion	132.66	88.55
Exhibition Expenses	137.75	115.49
Rebate, Discounts & Claims	49.60	59.87
Bad debts written off	1.52	6.26
Other Miscellaneous Expenses	117.87	66.04
Total	8,133.62	7,516.31
24 <u>DEPRECIATION AND AMORTISATION EXPENSES</u>	Year ended 31 March 2014	Year ended 31 March 2013
Depreciation of tangible assets	1,354.48	1,198.28
Less: Transfer to Pre-operative expenses	(0.43)	-
Amortisation of intangible assets	55.03	71.49
Impairment of Goodwill on consolidation	-	30.67
Gross Total	1,409.08	1,300.44
Less: Amortisation of Government Grants (refer note no. 2)	(3.58)	(3.58)
Net Total	1,405.50	1,296.86

25 <u>FINANCE COST</u>	(₹ in Lacs)	
	Year ended 31 March 2014	Year ended 31 March 2013
Interest expense	442.43	511.25
Other borrowing costs	7.50	7.52
Exchange difference to the extent considered as an adjustment to borrowing costs	350.80	73.22
Total	800.73	591.99

26 CONTINGENT LIABILITIES AND COMMITMENTS:

a Contingent liabilities not provided for:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Show Cause notices from excise department	29.39	29.39
Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
Liabilities against legal case filed under Industrial Dispute Act 1947	1.85	1.85

b Obligations and commitments outstanding:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Unexpired letters of credit ₹ 336.78 lacs (Previous year ₹ 419.15 lacs) and Guarantees issued by bankers ₹ 571.78 lacs (Previous year ₹ 554.56 lacs), (Net of margins)	908.56	973.71
Bills discounted but not matured	1,499.46	1,202.96
Custom duty against import under Advance Licence Scheme	11.17	753.60
Custom duty against import under EPCG Scheme	50.99	22.31
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	2,644.36	2,391.76

27 FOREIGN CURRENCY FORWARD CONTRACTS REMAINING UNADJUSTED & OUTSTANDING:

Category	Purpose	Currency / Pair of currency	31 March 2014		31 March 2013	
			Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Sell	Hedging	USD INR	33.29	2,011.27	88.59	4,970.00
		EURO INR	5.00	393.83	8.88	643.19
Buy	Hedging	JPY INR	198.60	118.38	57.51	33.80
		JPY USD	2.26	222.73	-	-
		USD INR	8.67	547.55	-	-

28 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	Currency	31 March 2014		31 March 2013	
		Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Trade Receivable	GBP	0.73	72.44	-	-
	JPY	7.27	4.25	-	-
Other Receivable	USD	0.71	42.54	0.24	13.06
Import Payables	USD	1.15	68.63	3.18	172.62
	EURO	1.36	111.80	1.06	73.55
	JPY	-	-	151.68	86.67
Patents	USD	0.29	17.25	0.26	14.03
	EURO	0.02	2.00	0.11	7.60
	SGD	0.01	0.24	0.03	1.32
	JPY	1.52	0.89	-	-
	GBP	0.16	16.06	0.05	4.32
	AUD	0.02	1.35	0.05	2.97
Legal and Professional Charges	USD	0.09	5.97	-	-
	AUD	3.65	202.23	-	-
	EURO	0.70	57.85	0.79	54.89
Commission Payable	USD	0.50	29.72	1.29	69.88
	EURO	0.09	7.56	0.02	1.43
Freight Payable	USD	0.03	1.59	-	-
Borrowings	USD	21.98	1,287.67	48.53	2,634.23
Lendings	USD	-	-	2.46	133.53

29 Inventories, loans & advances, trade receivables / payables and other current / non-current assets are reviewed annually and in the opinion of the Management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.

The response to letters sent by the Company requesting confirmation of balances has been insignificant. In the management's opinion, in the event of any disparity in the balances, any consequential adjustments required on reconciliation of the balances will not be material in relation to the financial statements of the Company and the same will be adjusted in the financial statements as and when the reconciliation is completed.

30 RELATED PARTY DISCLOSURES:

Related party disclosures as required by Accounting Standard (AS)-18 of The Institute of Chartered Accountants of India.

A List of related parties and relationships:

a Associate

Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel

- 1 Mr. Himanshu Baid (Managing Director)
- 2 Mr. Rishi Baid (Executive Director)
- 3 Mr. J. K. Baid (Director- relative of Managing Director & Executive Director)
- 4 Mr. Vishal Baid (President- relative of Managing Director & Executive Director)

c Enterprises over which key management personnel and their relatives exercise significant influence

- 1 Vitromed Healthcare
- 2 Jai Polypan Pvt. Ltd.
- 3 Stilocraft
- 4 Polycure Martech Ltd.
- 5 Jaichand Lal Hulasi Devi Baid Charitable Trust

B Transactions with related parties:

Description	Associate		Key Management personnel		Enterprises controlled by key management personnel and their relatives	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Sales of Goods	622.70	767.94			1,360.61	1,488.70
Ultra for Medical Products Egypt	622.70	767.94				
Vitromed Healthcare					1,360.61	1,488.70
Purchases of Goods					97.98	64.03
Vitromed Healthcare					97.98	64.03
Job work					2,620.68	2,141.22
Vitromed Health Care					2,620.68	2,141.22
Rent received					0.24	0.24
Vitromed Healthcare					0.24	0.24
Rent paid					1.48	1.13
Jai Polypan Pvt. Ltd.					1.48	1.13
Director's Remuneration			562.96	361.27		
Mr. Himanshu Baid			284.17	182.14		
Mr. Rishi Baid			278.79	179.13		
Salary and perquisites			29.15	25.80		
Mr. Vishal Baid			29.15	25.80		
Sitting fees paid			1.00	0.80		
Mr. J. K. Baid			1.00	0.80		
Dividend / Share Governing Council due	42.54	-				
Ultra for Medical Products	42.54	-				
Donation Paid					6.50	1.00
Jaichand Lal Hulasi Devi Baid Charitable Trust					6.50	1.00
Outstanding balances at the year end						
Dividend / Share Governing Council outstanding	52.94	10.40				
Ultra for Medical Products	52.94	10.40				
Director's Remuneration / Salary payable			238.10	119.68		
Mr. Himanshu Baid			118.40	59.01		
Mr. Rishi Baid			118.25	59.20		
Mr. Vishal Baid			1.45	1.47		
Debtors	272.69	320.37			-	228.27
Ultra for Medical Products	272.69	320.37				
Vitromed Healthcare					-	228.27

(₹ in Lacs)

31 EARNINGS PER SHARE (EPS) OF ₹ 10/- EACH:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Net profit after tax available for equity share holders (₹ In lacs)	4,509.38	2,422.97
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	22,028,869	22,025,000 *
Basic Earnings per Share (in ₹)	20.47	11.00
Diluted Earnings per Share		
Weighted Average no. of equity shares outstanding during the year	22,028,869	22,025,000 *
Effect of dilutive issue of stock options	22,953	14,741
Weighted average no. of equity shares outstanding for Diluted EPS	22,051,822	22,039,741
Diluted Earnings per Share (in ₹)	20.45	10.99

* Adjusted for issue of Bonus Share in Financial Year 2013-14

32 PAYMENT TO AUDITORS:

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Audit Fee	9.42	8.33
Tax audit Fee	1.00	1.00
Limited Review of Results	1.20	1.20
In other capacity		
(a) For Taxation matters	3.50	4.15
(b) For Certification work	0.59	0.88
(c) For Other work	0.00	0.20
Reimbursement of expenses	1.01	1.55
Total	16.72	17.31

33 EMPLOYEE BENEFIT:

The disclosure of employees benefit as defined in the Accounting Standard - 15 (revised) on "Employee Benefits" are as follows:

I Defined Contribution Plan - Provident Fund

During the period, the company has recognised the following amount in statement of profit and loss

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Employers' contribution to provident fund * #	253.77	225.42

* included in "contribution to provident fund and others" under employee benefit expenses (refer note no. 21)

excluding contribution to provident fund transferred to tangible capital work in progress ₹ 0.23 lacs (₹ nil) and to Research and Development Expenses ₹ 4.36 lacs (₹ 6.42 lacs).

(₹ in Lacs)

a) As per Accounting Standard (AS15) "Employee Benefits", the disclosure of employee benefits is as under:

Particulars	For the Year ended 31 March 2014		For the Year ended 31 March 2013	
	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)
Obligations at beginning of the year	102.57	52.93	90.91	43.37
Service Cost - Current	23.49	16.42	20.59	15.14
Interest Cost	8.71	4.50	7.73	3.69
Actuarial (gain) loss	(2.03)	8.20	(7.07)	11.85
Benefit Paid	(9.60)	(22.78)	(9.59)	(21.12)
Obligations at end of the year	123.14	59.27	102.57	52.93
Liability recognised in the Balance Sheet	123.14	59.27	102.57	52.93
Expenses recognised in statement of Profit & Loss	30.18	29.12	21.25	30.67
Expected amount of contribution for the next year	45.64	21.90	38.38	17.75

b) **Movement in liability recognised in the Balance Sheet**

Particulars	For the Year ended 31 March 2014		For the Year ended 31 March 2013	
	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)
Obligations at beginning of the year	102.57	52.93	90.91	43.38
Expenses recognised in the statement of profit & Loss	30.18	29.12	21.25	30.67
Benefit Paid	(9.60)	(22.78)	(9.59)	(21.12)
Obligations at end of the year	123.15	59.27	102.57	52.93

c) **The principal assumptions used in determining post-employment benefit obligations are as below:**

Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	2014 (in%)	2014 (in%)	2013 (in%)	2013 (in%)
Discount Rate	8.5	8.5	8.5	8.5
Future salary increases	6	6	6	6

34 In view of option allowed by the Ministry of Corporate Affairs vide its notification dated 29th December 2011 on AS 11, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded have been accumulated in a "Foreign Currency Monetary Items Translation Difference Account" to be amortised over the balance period of such long term assets or liabilities. Pursuant to such adoption, a sum of ₹ 128.06 lacs is remained to be amortised over the balance period of such assets or liabilities (including current year impact of gain amounting to ₹ 20.62 lacs). Had the option not being exercised, the profits of the company would have been higher by ₹ 20.62 lacs.

35 The company is primarily engaged in a business of manufacturing and sale of "Medical Devices" and, hence, there is no reportable segments as per Accounting Standard-17.

36 LEASES :

Operating leases

- i) The Company has taken six premises under cancellable operating lease. These lease agreements are normally renewed on expiry.
- ii) Lease rental expenses in respect of operating leases: ₹ 67.05 lacs (previous year ₹ 45.83 lacs)

37 EMPLOYEE STOCK OPTION SCHEME:

The compensation committee formed by the company in terms of resolution of the Board of Directors, created in accordance with SEBI (Guidelines and any other applicable Rules,) Regulations, a ESOS Scheme called the "Poly Medicure Employee Stock Option Scheme, 2011 (ESOS 2011)" which was further amended in the shareholding meeting held on 27th September 2013. Whereby employees who were granted ESOP under original scheme of 2011 were granted options in addition to the options already granted by reducing exercise price from ₹ 50 to ₹ 25. The terms and conditions of the grant as per the amended Employee Stock Option Scheme, 2011 (ESOS 2011) are as under:

A) Vesting period

i Original scheme

On completion of 24 months from the date of grant of options 50%
On completion of 30 months from the date of grant of options for remaining 50%

ii Under amended scheme for additional shares granted to the employee to whom the options were granted under the earlier scheme.

On completion of 12 months from the date of grant of options 100%

B) Exercise period -

i Original scheme

Commences from the date of vesting of the options and expires at the end of three months from the date of such vesting

ii Under amended scheme for additional shares granted to the employee to whom the options were granted under the earlier scheme.

Commences from the date of vesting of the options and expires at the end of three months from the date of such vesting.

C) Exercise Price

The exercise price was reduced to ₹ 25 for options granted earlier and for additional options granted in pursuance of amended scheme.

The details of options granted, lapsed and exercised in accordance with amended ESOS 2011 are as under:

Particulars	Year ended	Year ended
	31 March 2014	31 March 2013
I Grant price (₹)	25.00	50.00
II Grant Date - for options granted in the original scheme	9-Sep-11	9-Sep-11
III Grant Date - for additional options granted in the amended scheme	27-Sep-13	--
IV Option Granted (No. of equity shares) - original	20,440	20,440
V Option Granted (No. of equity shares) - additional	16,730	--
VI Option Lapsed (No. of equity shares) - original	4,020	3,710
VII Option Lapsed (No. of equity shares) - additional	312	--
VIII Option exercised and shares allotted (No. of equity shares) - original	8,211	--
IX Option exercised but pending to be allotted (No. of equity shares) - original	1,685	--
X Option exercised (No. of equity shares) - additional	--	--
XI Option Outstanding (No. of equity shares) - original	6,524	16,730
XII Option Outstanding (No. of equity shares) - additional	16,418	--

Poly Medicure Limited
Annual Report 2013-14



38 Exceptional items in statement of profit and loss represents one time income of ₹ 991.46 lacs from one of its customer towards settlement of a contract.

39 Previous year figures have been regrouped / rearranged, wherever necessary to confirm current year classifications.

As per our report of even date annexed

For DOOGAR & ASSOCIATES (Reg no.000561N)

Chartered Accountants

M.S. Agarwal
Partner
Membership No.86580

Place: New Delhi
Date: 15.05.2014

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN:00014008

Rishi Baid
Executive Director
DIN:00048585

J. K. Oswal
VP (F) and CFO

Sonia Singh
Company Secretary

STATEMENT PURSUANT TO EXEMPTION GRANTED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARIES COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lac)

Particulars	US Safety Syringes Co. LLC, USA	Poly Medicure (Laiyang) Co. Ltd., China
Paid - up Share Capital	239.52	753.11
Share Premium	-	-
Other Reserves	(240.46)	(234.24)
Total Assets	-	661.23
Total Liabilities	-	661.23
Investments*	-	-
Turnover	-	1011.56
Profit before tax	-	(33.49)
Provision for tax	-	-
Profit after tax	-	(33.49)
Proposed Dividend	-	-

*For details of Investments, refer Note No. 11 of the Consolidated Financial Statements.

For and on behalf of the Board

Himanshu Baid
 Managing Director
 DIN:00014008

Rishi Baid
 Executive Director
 DIN:00048585

Place: New Delhi
 Date: 30th July 2014

J. K. Oswal
 V P (F) and CFO

Sonia Singh
 Company Secretary



POLYMED

Medical Devices



Works:

Unit-I: Plot No. 104-105, Sector-59
HSIIDC Industrial Area, Ballabgarh,
Faridabad - 121004 (Haryana) INDIA

Unit-II: Plot No. 115-116, Sector-59,
HSIIDC Industrial Area, Ballabgarh,
Faridabad - 121004 (Haryana) INDIA
Phone : +91-129-3355070, 4287000
Fax : +91-129-2307007, 2309401

Unit-III: Plot No. 17, Sector-3, I.I.E. SIDCUL,
Haridwar, Uttarakhand, INDIA
Phone. : +91-1334-232734

Unit-IV: Plot No. PA010 - 019, Mahindra World City
(SEZ) Jaipur

If undelivered, please return to :

New Registered Office:

Poly Medicure Limited

232B, 3rd Floor, Okhla Industrial Estate,
Phase - III, New Delhi - 20, INDIA

Tel : +91-11-26321838 / 99 / 89 / 93 / 81

Fax : +91-11-26321894 / 39

E-mail : investorcare@polymedicure.com

Web : www.polymedicure.com



Poly Medicure Ltd.

POLYMED
Medical Devices

Works : Plot No. 104-105, Sector-59, HSIDC Industrial Area, Ballabgarh, Faridabad-121004, INDIA

Phone : +91-129-2307000, 4287000 Fax : +91-129-2307007, 2309102

E-mail : info@polymedicure.com, Website : www.polymedicure.com


~~CIN - L74899DL1995PLC066923~~

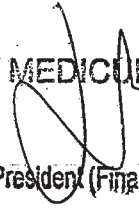
CIN - L40300DL1995PLC066923

FORM A

Covering letter of the Annual Audit Report to be filed with the Stock Exchange(s)

1.	Name of the Company	Poly Medicure Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-Qualified Report
4.	Frequency of observation	Not Applicable
5.	To be signed by- CEO / Managing Director CFO Auditor of the Company Audit Committee Chairman	As per Annexure attached

For Poly Medicure Limited

Himanshu Baid
Managing Director

For POLY MEDICURE LTD.

Vice President (Finance) & CFO



Experience
INDIAN
HEALTHCARE

Poly Medicure Ltd.

POLYMED
Medical Devices





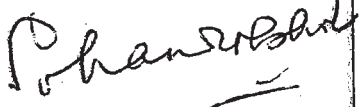
Works : Plot No. 104-105, Sector-59, HSIDC Industrial Area, Ballabgarh, Faridabad-121004, INDIA

Phone : +91-129-2307000, 4287000 Fax : +91-129-2307007, 2309102

E-mail : info@polymedicure.com, Website : www.polymedicure.com

CIN : L74899DL1995PLC066923

CIN - L40300DL1995PLC066923

To be signed by-	
CEO/ Managing Director	 Sh. Himanshu Baid (Managing Director) DIN: 00014008
CFO/Head Finance	 Sh. J.K. Oswal (C.F.O. & VP Finance)
Auditor of the Company	For Doogar & Associates Chartered Accountants Firm Registration No. 000561N   (M.S. Agarwal) Partner (Membership No. 086580)
Audit Committee Chairman	 Dr. Sohan Raj Mohnot (Chairman- Audit Committee) DIN:00006889