



Experience
INDIAN
HEALTHCARE

Poly Medicure Ltd.

Regd. Office : 232-B, 3rd Floor, Okhla Industrial Estate, Phase - III, New Delhi - 110020, INDIA
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E-mail : info@polymedicure.com Website : www.polymedicure.com
CIN : L40300DL1995PLC066923

POLYMED
Medical Devices

05.10.2016

Scrip Code: - 531768

The Manager,
Bombay Stock Exchange Limited,
Department of Corporate Services,
Phirozee Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001.

Scrip Code:- POLYMED

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1-Block-G
Bandra Kurla Complex, Bandra(E),
Mumbai-400051.

Dear Sir,

Subject:- Submission of Annual Report for the financial year 2015-16 pursuant to regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2015-16 approved and adopted by the shareholders as per the provisions of the Companies Act, 2013, at the 21st Annual General Meeting of the Company held on Tuesday the 27th September, 2016 at 10.00 a.m. at Alpha Hall, 2nd Floor, National Co-operative Union of India, 3, Siri Institutional Area, August Kranti Marg, New Delhi-110016.

The entire Annual Report is also available on the website.

Please take the same in your records.

Thanking You,

For Poly Medicure Limited


Avinash Chandra
Company Secretary



Encl: as above

Poly Medicure Limited

Annual Report 2015-16



innovation

safety

quality

we Care as we Cure™

Corporate Information

Board of Directors

Chairman

Devendra Raj Mehta

Non-Executive Independent Directors

Prakash Chand Surana

Yeshwant Singh Choudhary

Shailendra Raj Mehta

Non-Executive Director

Jugal Kishore Baid

Mukulika Baid

Managing Director

Himanshu Baid

Executive Director

Rishi Baid

Company Secretary

Avinash Chandra

Key Executives

Vishal Baid, President (Corporate Sales & Marketing)

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

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

Hemant Bhalla, 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

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

New Delhi – 110020 (India)

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

Fax No.: 91 11 – 26321839, 94

Email: investorcare@polymedicure.com

Website: www.polymedicre.com

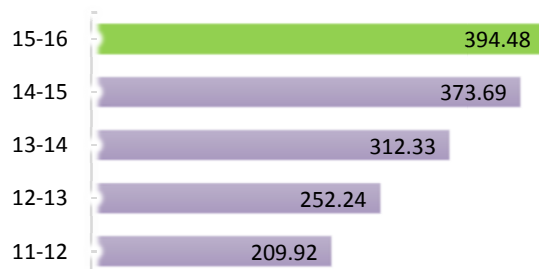
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Inside this Report:

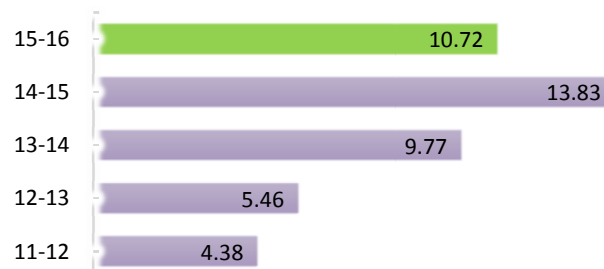
Company Overview	<i>Key Performance Indicator</i>	3
	<i>Manufacturing Facilities</i>	4
	<i>Product Range</i>	5
	<i>Financial Highlights</i>	6
	<i>Letter to Shareholders</i>	7
Statutory Reports	<i>Notice of Annual General Meeting</i>	11
	<i>Directors' Report</i>	20
	<i>Management Discussion and Analysis</i>	46
	<i>Report on Corporate Governance</i>	58
Financial Statements	<i>Independent Auditors' Report on Financial Statements</i>	72
	<i>Balance Sheet</i>	77
	<i>Statement of Profit and Loss</i>	78
	<i>Cash Flow Statement</i>	79
	<i>Significant Accounting Policies</i>	80
	<i>Notes on Financial Statements</i>	84
	<i>Independent Auditors' Report on Consolidated Financial Statements</i>	104
	<i>Consolidated Balance Sheet</i>	109
	<i>Consolidated Statement of Profit and Loss</i>	110
	<i>Consolidated Cash Flow Statement</i>	111
	<i>Significant Accounting Policies on Consolidated Accounts</i>	112
	<i>Notes on Consolidated Accounts Financial Statements</i>	116
	<i>Statement of Salient features of the Financial Statements of Subsidiaries and Associate</i>	137

Key Performance Indicators:

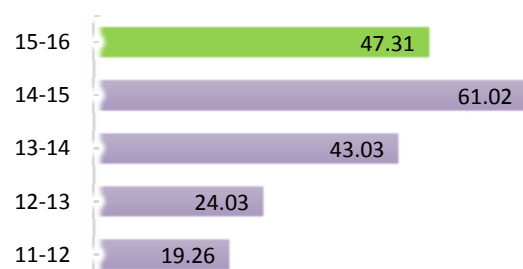
Revenue (₹ Crore)



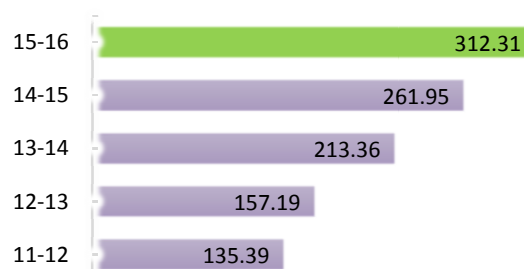
EPS (₹) Adjusted with bonus



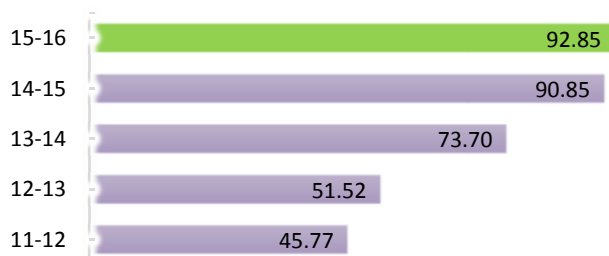
PAT (₹ Crore)



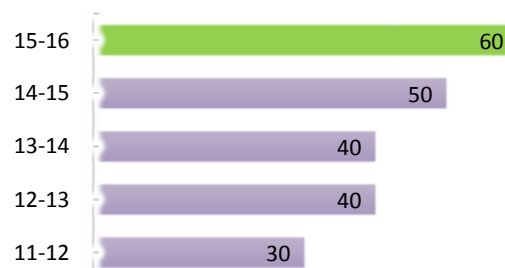
Gross Fixed Assets (₹ Crore)



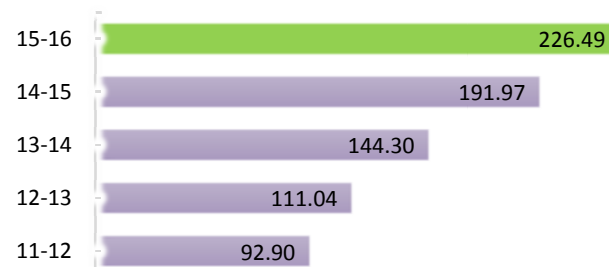
EBIDTA (₹ Crore)



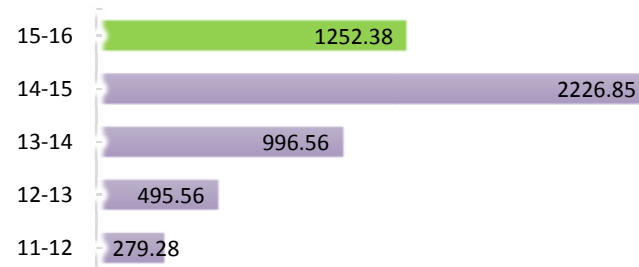
Dividend (in %), Adjusted with bonus



Net Worth (₹ Crore)



Market Capitalisation (₹ Crore)



Manufacturing Facilities



Unit I at Faridabad, Haryana



Unit II at Faridabad, Haryana



Unit III at Haridwar, Uttarakhand



Unit IV at SEZ Jaipur, Rajasthan



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
Vial Access Spike
Burette Set

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
Quadruple Blood Bag with In-Line RBC Filter
Blood Collection Needle with flashback
Luer Adaptor
Standard Needle Holder
ESR Pipette

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 Set
Peritoneal Dialysis Transfusion Set

Others

Injection Stopper
Insulin Syringes
Umbilical Cord Clamps
Sputum Collector
Dry Brush
Leur Lock Injection Site
Cannula Fixator
Universal Cap

Financial Highlights (Standalone)

	2015-16	2014-15	2013-14	2012-13	2011-12
	(₹ in lacs)				
Revenue From Operations (Net)	39,447.84	37,368.83	31,233.32	25,223.79	20,891.86
Total Revenue	40,286.34	38,190.97	31,339.52	25,260.55	20,953.81
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	9,284.65	9,085.46	7,369.56	5,152.02	4,577.28
Depreciation and Amortisation	2,018.79	1,808.99	1,351.06	1,182.06	995.52
Exceptional Items	-	(1,957.80)	(991.46)	-	-
Net Profit	4,730.75	6,101.72	4,303.21	2,402.92	1,925.96
Dividend Payout	1323.40	1,102.84	881.33	440.50	330.38
Equity Share Capital	2205.67	2,205.67	2,203.32	1,101.25	1,101.25
Reserves and Surplus	20,177.89	16,991.29	12,226.21	10,002.73	8,188.32
Net Worth	22,383.56	19,196.96	14,429.95	11,103.98	9,289.57
Gross Fixed Assets	30,217.75	26,194.87	21,335.69	15,719.38	13,539.00
Net Fixed Assets	19,096.77	17,046.39	14,008.95	9,715.95	8,673.33
Total Assets	37,585.03	35,445.67	28,248.21	21,193.00	17,976.48
Market Capitalisation	1,25,238.06	2,22,684.65	99,656.00	49,556.00	27,928.00
Number of Employees	1594	1586	1478	1329	1210

Key Indicators

	2015-16	2014-15	2013-14	2012-13	2011-12
Earnings Per Share - (₹)*	10.72	13.83	9.77	5.45	4.37
Book Value Per Share - (₹)*	50.74	43.52	32.75	25.21	21.09
Debt : Equity Ratio	0.35:1	0.40:1	0.46:1	0.44:1	0.49:1
EBDIT/ Net Turnover %	23.54%	24.31%	23.60%	20.43%	21.91%
Net Profit Margin %	11.99%	16.33%	13.78%	9.53%	9.22%
RONW %	21.13%	31.78%	29.82%	21.64%	20.73%

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

*Adjusted for sub-division of nominal face value of one equity share of ₹ 10 each into two equity share of ₹ 5 each in FY 2014-15.

LETTER FROM THE CHAIRMAN



Dear Shareholders,

I am Delighted to present 21st Annual Report of your Company for F.Y. 2015-16.

I will begin with our vision of "Highest Quality of Healthcare to the mankind at affordable prices" keeping in eyes such vision we have started the Company in 1995. And this is more pleasant to share with you that we have succeeded to greater extent in fulfillment of such vision. We are providing our products of medical devices in more than 95 Countries and in a major portion of India on a reasonable prices without compromising in the quality.

Despite the current challenges compared to global market, some of the advantages India will continue to offer in areas like reduced cost of labor, a high level of technical expertise, and funding from governments for R&D investment to accelerate new product development has made India most favored destinations for outsourcing manufacturing services. With more and more multinational firms are looking at customizing their products to suit country specific requirements, the segment is only likely to grow in the coming years.

Your Company has demonstrated an impressive financial performance during the year 2015-16 as Company's total revenue increased from ₹ 398.47 crore to ₹ 420.52 crore during the year. Likewise, EBIDTA expanded to ₹ 94.04 crore as against ₹ 92.24 crore during the preceding year.

Corporate Governance and Ethical Management are critical aspects of modern business. Your Company not only seeks to pursue efficient management and ensure global competitiveness but also fulfill the corporate social responsibility through ethical and sustainable management. Today, Our Company is contributing to the Corpus of various reputed NGO's which has been strengthening livelihood by removing hunger, malnutrition and promoting the education. To this end, the Board has adopted a number of policies to support good corporate citizenship that is important for our long-term success and creating value for our stakeholders.

Our employees contribute significantly to our business operations. Employee training and development is a shared responsibility of management and the individual employee. We are focusing on recruiting, training, employee relations or benefits, through Training and development, we ensure that employees are trained and have continuous development.

Further, your company is continuously strives for the advancement and betterment of its products. The Company is hiring talented engineers time to time and making our R&D department more stronger. Our new Research and Development center, with an investment of ₹ 12.5 crore will be operational by Q3 of fiscal 2016.

Going forward, we shall also bring in more efficiencies/automation in our business processes in order to provide greater value to our stakeholders. We are also in process of implementing SAP based ERP solution and the benefits of the same will be seen in near future. Through our new investment of approximately ₹ 60 crore in the green field project at IMT Faridabad in Haryana, which is scheduled to be commissioned in third quarter of 2017 with all statutory approvals, we will significantly broaden our existing manufacturing facilities to tap on new market opportunities in the field of Oncology, Nephrology & Respiratory care segments.

The company through its innovative manufacturing and R&D efforts will launch 8-10 new products in the coming financial year. Our international market strategy includes, Increasing the basket of products with existing customers, Organizing Training Program for Global Distributors, Participation in various conferences and exhibitions, appointment of representatives in key markets.

The Journey is very pleasant yet, it is just the beginning phase of the Company, going forward, we shall continue to create value for our customers through innovation.

I will conclude with the resolve that we will continuously seek and strive to do good act better and do what is best for us and our stakeholders. Every success and every achievement on individual and on organizational level will be a big achievement.

D. R. Mehta
Chairman

New Delhi
8th August 2016

A LETTER TO THE SHAREHOLDERS FROM THE MANAGING DIRECTOR



Dear Shareholders,

As we enter the two decades of Poly Medicure's business I wish to thank all my colleagues, investors and stakeholders for their continuous support in growth and development of the Company.

During the last 2 decades Poly Medicure has provided the patients high quality medical devices at affordable prices and helped in saving major costs.

During the last 12 months your company has entered into several new markets and is now exporting its products to more than 95 countries. We have also made significant progress in the home market. The company's products are present in over 3000 key hospitals and has expanded its Distributor & Dealer network in every State. The Company has also added over 80 persons in Domestic Sales and Marketing team over past 12 months.

The Company believes in strong values, rich heritage, commitment to consumer satisfaction and a culture of Innovation, Safety and Quality. These remain the key pillars of our strength and foundation for future growth.

I am pleased to share with you the financial performance during financial Year 2015-16. Your Company achieved a net sales of ₹ 412.25 Crores, as against the ₹ 390.35 Crore in previous financial year. EBITDA improved to ₹ 94.04 Crores as from ₹ 92.24 Crores in the preceding year. Your company has continues to reward its shareholders with

handsome dividends. In the year under review an interim dividend of ₹ 2.50 per Share was declared and paid, further the Board has also recommended a final dividend of ₹ 0.50 per share for the financial year ended on 31st March, 2016.

The Company is in the process of expanding its product range in Infusion Therapy and Blood Management products. Several new products are in the development phase and will be launched in next 6 to 12 months. Through its strong R & D base the Company is focusing on new product categories like Nephrology, Oncology and Respiratory care products. Products under these new categories will be available in next 12 to 24 months.

In view of the government's emphasis on "Make in India" & mushrooming of hospitals of all sizes and categories in the Country, and a general sluggishness in the global healthcare market, our plans to focus more on the domestic markets in the immediate future has started to yield good results.

We have been recognized as the highest exporter of plastic medical disposables/ surgical devices from 2011-12 to 2014-15 (continuously for 4 years) by the Plastics Export Promotion Council, sponsored by Department of Commerce, Government of India, and have also received the 'Gold Award' for 2014-15 in recognition of our commendable contribution in Medical Devices/ Surgical/ Diagnostics Category from the Pharmaceuticals Export Promotion Council of India, supported by the Department of Commerce, Government of India. Approximately 65.57% of our total revenues were attributable to export of our products for fiscal 2016.

Going forward our top priorities for the next few years are as follows:

1. Focus on domestic market and increase reach to 5000 Hospitals in next 2 years
2. Increase focus on critical care products
3. Accelerate introduction of new products by expanding the R & D team
4. Focus on Technology Up gradation and Automation
5. Tie up with Key Academic Institutions
6. Expand export business with fast tracking Registration process in Strategically important markets.

Finally I would like to extend my sincere gratitude to all our stakeholders, bankers, customers, employees for their continuous support in development and growth of the Company. We are confident to take the Company to newer heights and continue on our efforts to improve affordable cost effective Medical devices to all Humanity.

With Best wishes,

Himanshu Baid
Managing Director

New Delhi
8th August 2016

NOTICE

Notice is hereby given that the 21st Annual General Meeting (AGM) of the members of “**Poly Medicure Limited**” will be held on Tuesday, the 27th September, 2016 at 10:00 a.m at Alpha Hall, 2nd Floor, National Co-operative Union of India, 3, Siri Institutional Area, August Kranti Marg, New Delhi- 110016, 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, 2016 together with the reports of the Board of Directors and Auditors thereon; and
 - the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016 together with the report of Auditors thereon.
2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2016 and to ratify the payment of interim dividend of ₹ 2.50 per share paid on 10th March, 2016 by the Board of Directors.
3. To appoint a Director in place of Shri Rishi Baid (DIN: 00048585) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To ratify the appointment of Auditors and to 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 the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N), as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and that the Board of Directors be and are hereby authorized to fix such remuneration as may be agreed upon between the Auditors and the Board of Directors.”

Special Business

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

ESOP Scheme 2016

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions if any, of the Companies Act, 2013, (“the Act”), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“the ESOP Guidelines”) (including any statutory modification(s) or re-enactment of the Act or the ESOP guidelines for the time being in force), provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or other relevant authority, and subject to such approval(s), permission(s), sanction(s) and approval and consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”) which term shall be deemed to include any committee including ESOP Compensation Committee of the Board, to formulate an ESOP Scheme 2016 and to create, offer, issue and allot in one or more tranches under the said proposed ESOP Scheme 2016 at any time to or to the benefit of such employee(s) and directors of the Company such number of Equity Shares including options and/or any other instrument or securities which could give rise to the issue of Equity Shares (hereinafter collectively referred to as “Securities”) of the Company, upto 50,000 options in aggregate which is not exceeding 0.5% of the paid up Equity Share Capital of the Company, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the guidelines or other applicable provisions of any laws as may be prevailing at that time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect ESOP Scheme 2016 (hereinafter referred to as Scheme) on such terms and conditions as contained in the relevant Explanatory Statement to this Notice and to make any modification(s),

change(s), variation(s), alteration(s) or revision(s) in the terms & conditions of the Scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or review the Scheme.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari-passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Company shall conform to the Accounting Policies prescribed from time to time under ESOP Guidelines.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the securities, allotted under the Scheme, on the Stock Exchanges where the Securities of the Company are listed as per the provisions of the Listing Agreement with the respective Stock Exchange and other applicable guideline(s), Rule(s) and Regulation(s) concerning therewith.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board be and is hereby authorized to do all such act(s), deed(s), matter(s) and things as may be necessary or expedient and to settle any question or difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the members of the Company in this regard."

6. 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 Sales Contract as mention below:

- a. **Name of the Related Party and relationship:** M/s Vitromed Healthcare, Jaipur, the partnership firm.

b. **Nature of Relationship:** M/s Vitromed Healthcare is a Firm in which Shri Jugal Kishore Baid, Shri Rishi Baid, Shri Vishal Baid & M/s Polycure Martech Limited are partners. Fourth Partner in the firm is a Limited Company in which the Directors and their relatives are shareholders.

c. **Duration & Particulars of the Contract:** 3 (Three) Years i.e 2016-17 to 2018-19.

d. **Material Term(s) of the Contract or arrangement(s) including the value, if any:** The Company hereby agrees to sell its products and components of Medical Devices to the buyer on fair price basis/Prevailing market rates.

e. **Any Advance paid or received for the contract or arrangement, if any:** Nil

f. **Manner of determining the pricing and other commercial terms both included as part of the Contract:** The Company sells its Product(s) and component(s) to Vitromed Healthcare, Jaipur on prevailing market rates/arm's length basis.

g. **Whether all other factors relevant to the contract have been considered:** All factors have been considered.

h. **Any other information:** Delivery shall be made within 90 days from the date of order and payment shall be made within 90 days from the date of supplies.

7. 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 Purchase Contract as mention below:

- a. **Name of the Related Party and relationship:** M/s Vitromed Healthcare, Jaipur, the partnership firm.

- b. **Nature of Relationship:** M/s Vitromed Healthcare is a Firm in which Shri Jugal Kishore Baid, Shri Rishi Baid, Shri Vishal Baid & M/s Polycure Martech Limited are partners. Fourth Partner in the firm is a Limited Company in which the Directors and their relatives are shareholders.
 - c. **Duration & Particulars of the Contract:** 3 (Three) Years i.e 2016-17 to 2018-19.
 - d. **Material Term(s) of the Contract or arrangement(s) including the value, if any:** The Company hereby agrees to purchase the products and components of Medical Devices from the seller on fair price basis/Prevailing market rates.
 - e. **Any Advance paid or received for the contract or arrangement, if any:** Nil
 - f. **Manner of determining the pricing and other commercial terms both included as part of the Contract:** The Company will purchase the medical Product(s) and component(s) from Vitromed Healthcare, Jaipur on prevailing market rates/arm's length basis.
 - g. **Whether all other factors relevant to the contract have been considered:** All factors have been considered.
8. 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:** 3 (Three) Years i.e 2016-17 to 2018-19.
 - 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 crores 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"
9. To consider and if thought fit, to give assent/dissent to the following Resolutions as **Ordinary Resolution**:
- "RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, payment of Remuneration of ₹ 40,000/- (plus applicable taxes) to M/s. Jai Prakash & Company, Cost Accountants, who were appointed by the Board of Directors in their Meeting held on 8th August 2016 for conducting the audit of cost records of the Company for the financial year ending 31st March 2017, be and is hereby approved and ratified;
- RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters, things and take all steps as may be necessary, proper or expedient to give effect to this resolution."
10. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and, if

thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode an amount of ₹ 50/- (Rupees Fifty Only) per each such document, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document to him in the desired particular mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance.”

By order of the Board
Avinash Chandra
Company Secretary

Date: 8th August, 2016
Registered Office:
232-B, 3rd Floor, Okhla Industrial Estate, Phase III,
New Delhi -110020.
CIN: L40300DL1995PLC066923

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 21ST 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 REGISTERED 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 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 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, 21st September, 2016 to Tuesday, 27th September, 2016, (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 28th September, 2016 to those persons or their mandates:
 - a) whose names appear as beneficial owners as at the end of the business hours on 20th September, 2016 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 Company / its Registrar and Transfer Agents on or before 20th September, 2016.

8. Pursuant to the provisions of the Companies Act 1956, the unpaid / unclaimed dividend for the financial year 2007-08 has been transferred by the Company to the "Investor Education and Protection Fund"(IEPF) established by the Central Government.
9. Pursuant to the provisions of the Companies Act 1956, as amended, dividend for the Financial Year 2008-09 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 2008-09 are requested to make their claim to the company / Registrar and Transfer Agents on or before due date of transfer, 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.
10. 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.
11. 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.
12. 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. 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).
13. The Company has been maintaining, inter-alia, the following statutory registers at its Registered Office at 232-B, Third Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020, 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.
14. 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.
15. 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.

16. 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.

17. 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.

18. The Annual Report of the Company for the year 2015-16, circulated to the Members of the Company, is available on the Company's website viz. www.polymedicure.com.

19. 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 Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 27th September, 2016 (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 NSDL.

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

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

Item No. 5

Poly Medicure has always believed in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on a growth path. To enable more and more employees to enjoy the fruits of the growth that the Company has witnessed in the past it is proposed to introduce ESOP Scheme 2016. The main objective of the Scheme is to give the employees who are performing well, a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and to attract best talent available in the market.

Stock options create a common sense of ownership between the Company and its employees, paving the way for a unified approach to the common objective of enhancing overall shareholders value.

The Board therefore, proposed to evolve an Employee Stock Option Scheme (hereinafter referred to as "the ESOP Scheme-2016") for the benefits of permanent employees and directors of the Company and such other persons/ entities as may be prescribed by SEBI from time to time, and in accordance with the provision of prevailing Regulations.

The following is the explanatory statement, which sets out the various disclosures as required under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "the Guidelines").

The salient features of ESOP Scheme 2016 are as under:

A. Total Number of Options to be granted

- a) The total number of options to be granted under this scheme shall initially not exceed 0.5 % of the total Paid up Share Capital.
- b) One option entitles the holder of the options to apply for one Equity Share credited as fully paid-up of the Company.

B. Identification of class of employees entitled to participate in the ESOP Scheme 2016

- a) The present and future permanent employees of the Company.
- b) Employees:
 - Who are either promoter or belong to promoter group as defined in the Guidelines: or
 - Holding 10% of the outstanding Share Capital of the Company's Equity Share at any time after the commencement of ESOP Scheme 2016.

will not be eligible for grant of options under ESOP Scheme 2016.

C. Requirement of vesting, period of vesting and maximum period of vesting:

The vesting periods for conversion of Options are as follows:

- On completion of 24 months from the date of grant of option : 50% vests
- On completion of 36 months from the date of grant of option : 50% vests

D. Exercise Price or Pricing formula

The exercise price for the purpose of the grant of options will be decided by the ESOP Compensation Committee provided that the Exercise Price per option shall not less than the par value of Equity Shares of the Company and shall not be more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000, Relevant date being the date of grant.

E. Exercise Period and the process of Exercise

- a) Exercise period will commence from the date of vesting and expire three months there from. The ESOP Compensation Committee will decide on the expiry period of options for the employees leaving the Company after grant of options in their favor.

- b) The Options will be exercised by employees by a written application to the designated officer of the Company, in such a manner, and on execution of such documents, as may be prescribed by the ESOP Compensation Committee under the ESOP Scheme 2016.
- c) The option will lapse if not exercised within the specified exercised period.

F. Appraisal Process for determining the eligibility of employees to the ESOP Scheme 2016

- a) The Company has a formal performance appraisal system established wherein the performance of the employee is assessed each year on the basis of various functional and managerial parameters. The appraisal process is revised at regular intervals as per emerging global standard.
- b) Employees would be granted Options based on performance linked parameters such as work performance, technical knowledge, period of service, designation and such other parameters as may be decided by the ESOP Compensation Committee from time to time.
- c) The ESOP Compensation Committee may at its discretion extend the benefits of the ESOP Scheme 2016 to a new entrant or any existing employee on such other basis as it may deem fit.

G. Maximum number of Options to be issued per employee and in aggregate

- a) The maximum number of Options to be granted to each employee will depend upon the rank/designation of the employee as on the date of grant of options.
- b) The aggregate number of Options to be granted under this Scheme shall not exceed 0.5% of the total Paid up Share Capital of the Company.
- c) The ESOP Compensation Committee shall decide on the number of options to be granted to each employee within this limit.

H. Accounting Method

The Company shall conform to the Accounting Policies specified in Clause 15.1 of the guidelines, and /or such other guidelines as may be applicable, from time to time.

I. (I) Method of valuation of these options

The Company shall use the fair value method for valuation of the options.

ESOP Guidelines requires that any ESOP Scheme for offering stock options to the employees of the Company must be approved by the Shareholders by way of Special Resolution. Furthermore, as the Scheme will entail further Shares to be offered to person other than existing Shareholders of the Company, consent of the members is required by way of Special Resolution pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013.

Accordingly the resolution set as Item No 5 is being placed for the approval of Shareholder pursuant to the provision of Section 62(1)(b) of the Companies Act, 2013 and Clause 6 of the ESOP Guidelines and all other applicable provision of law for the time being in force.

Memorandum of Interest: None of the Directors of the Company is, in any way, concerned or interested in the resolution, except to the extent of the Option/Shares that may be offered to him/her /or any of his relatives under the Scheme.

Item No. 6

Approval of Sales Contract with M/s Vitromed Healthcare, Jaipur, for the period of three years.

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. This firm is the Partnership Firm. The partners are Sh. Jugal Kishore Baid, Sh. Rishi Baid, Sh. Vishal Baid & M/s Polycure Martech Limited.
- b) **Nature of Transactions:** To sell medical product(s) and component(s) to Vitromed Healthcare, Jaipur
- c) **Name of the Director or Key Managerial Personnel who is related, if any:-** Sh. Jugal Kishore Baid, Smt. Mukulika Baid, Sh. Himanshu Baid, Sh. Rishi Baid are a related party being Directors of the Company.
- d) **Nature of Relationship:** The persons named in (c) above are directors of the Company and they and/or their relatives are interest in the firm being partners or relatives of partners.
- e) **Material Term(s), monetary value and particulars of the Contract or Arrangement:** Commencement of the

Contract is 01st October, 2016. All the material term(s) have been detailed in the body of the resolution.

Memorandum of Interest: Shri Jugal Kishore Baid, Smt. Mukulika Baid, Sh. Himanshu Baid and Sh. Rishi Baid, are interested in the aforementioned firm and concerned and interested in the Resolution. They did not participate in the Board Meeting when this matter was discussed.

The Directors recommend the resolution to the shareholders as the Sales Contract will help the Company to expand the avenues for selling its products.

Item No. 7

Approval for Purchase contract with M/s Vitromed Healthcare, Jaipur, for the period of three years.

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) **Nature of Transactions:** To purchase medical product(s) and component(s) to Vitromed Healthcare, Jaipur
- c) **Name of the Directors or Key Managerial Personnel who is related, if any:-** Sh. Jugal Kishore Baid, Smt. Mukulika Baid, Sh. Himanshu Baid & Sh. Rishi Baid.
- d) **Nature of Relationship:** Shri Jugal Kishore Baid, Smt. Mukulika Baid, Shri Himanshu Baid and Shri Rishi Baid, Directors of the Company are interested in the firm as they themselves or their relatives are interested in the firm as partners or relatives of partners of the firm.
- e) **Material Term(s), Monetary value and Particulars of the Contract or Arrangement:** Commencement of the Contract is 01st October, 2016. All the material term(s) have been detailed in the body of the resolution.

Memorandum of Interest: Shri Jugal Kishore Baid, Smt. Mukulika Baid, Shri Himanshu Baid and Shri Rishi Baid, are interested in the aforementioned firm and concerned and interested in the Resolution. They did not participate in the Board Meeting when this matter was discussed.

The Directors recommend the resolution as it is in the interest of the Company.

Item No. 8

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 crores 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 8th August, 2016 and recommends the Resolution for the approval of members of the Company as Special Resolution.

Item No. 9

Approval of remuneration payable to M/s Jai Prakash & Company, Cost Accountants, the Cost Auditor of the Company

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Jai Prakash & Company, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 9 of

the Notice, to ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March 2017.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

Item No. 10

As per the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly commend the Ordinary Resolution at item no. 10 of the accompanying notice, for the approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 10 of the accompanying Notice.

By order of the Board
Avinash Chandra
Company Secretary

Date: 8th August, 2016
Registered Office:
232-B, 3rd Floor, Okhla Industrial Estate, Phase III,
New Delhi -110020.
CIN: L40300DL1995PLC066923
E-mail: investorcare@polymedicure.com

DIRECTORS' REPORT

Your Directors take immense pleasure in presenting the 21st Annual Report on the business and operations of the

Company along with the Audited Financial Statements for the year ended March 31, 2016.

Financial Results

(₹ In lacs)

Parameters	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations (Net)	39,447.84	37,368.83	41,225.72	39,034.70
Add: Other Income	838.50	822.14	826.59	812.05
Total Revenue	40,286.34	38,190.97	42,052.31	39,846.75
Profit before Interest, Tax, Depreciation and Amortization (EBITDA)	9,284.65	9,085.46	9,404.19	9,224.33
Less: Depreciation & Amortization Expenses.	2,018.79	1,808.99	2,102.89	1,877.09
Less: Financial Costs	778.24	822.65	797.14	829.85
Less: Exceptional Items	-	(1,957.80)	-	(1,957.80)
Profit Before Tax (PBT)	6,487.62	8,411.62	6,504.16	8,475.19
Less: Tax provision	1,756.87	2,309.90	1,756.87	2,309.90
Profit after Tax for the Year	4,730.75	6,101.72	4,747.29	6,165.29
Add: Share of Profit from Associates	0.00	0.00	79.50	66.99
Net Profit for the Year	4,730.75	6,101.72	4,826.79	6,232.28
Total amount available for appropriation	12,875.59	11,574.73	13,030.45	11,633.54
Less: Appropriations	1586.56	1429.88	1586.56	1429.88
Less: Amount transferred to General Reserve	2,000.00	2,000.00	2,000.00	2,000.00
Surplus carried to Balance Sheet	9,289.03	8,144.85	9,443.89	8,203.66
Earnings per Share (EPS in ₹) (Face Value ₹ 5 each)				
Basic	10.72	13.83	10.94	14.12
Diluted	10.72	13.83	10.94	14.12

Briefly, during the year under report, the Company's total income increased to ₹ 42,052.31 lacs from ₹ 39,846.75 lacs in the previous year, registering a growth of 5.54%. EBITDA improved to ₹ 9,404.19 lacs as from ₹ 9,224.33 lacs in the preceding year which translates into a rise of 1.95 %. Profit before Tax (PBT) is ₹ 6,504.16 lacs as against ₹ 6,517.39 lacs in previous year, excluding exceptional income of ₹ 1,957.80 lacs.

The operational performance of the Company has been appropriately delineated in the Management Discussion and Analysis, which forms part of the Directors' Report.

Share Capital

During the year under report no further capital was issued.

Dividend

The Board in its meeting held on 10th March, 2016, declared an interim dividend of ₹ 2.50 per equity share, further the Board in its meeting held on 13th May, 2016 has recommended a final dividend of ₹ 0.50/- per equity share for the financial year ended on 31st March, 2016. The proposal is subject to the approval of the shareholders at the forthcoming Annual General Meeting. The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 265.47 lacs including dividend tax. The total dividend on equity shares including dividend tax for the F.Y 2015-16 would aggregate ₹ 1,592.82 lacs. The dividend would be payable to all Shareholders whose names appear in the Register of Members and 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.

Transfer to Reserves

The Board of Directors has proposed to transfer ₹ 2,000.00 lacs to General Reserves out of the amount available after appropriations and carry the balance of ₹ 9,289.03 lacs to the Balance Sheet.

Subsidiaries and Associate

The subsidiary companies performed as follows:

- **Poly Medicure (Laiyang) Co. Ltd, China** - The wholly owned subsidiary Company has achieved a turnover of ₹ 1,777.88 lacs for the year ending March, 2016 against ₹ 1,665.86 lacs in the previous year ending March, 2015.

- **US Safety Syringes Co., LLC, USA** – The subsidiary company didn't do any business activities due to non-viability and therefore action is being taken for the winding up of the Company.

The Company has one Associate in Egypt, viz.

Ultra for Medical Products, Egypt – The Associate is performing well and has achieved sales of ₹ 5,458.63 lacs during the year ending December 2015, against ₹ 4,611.95 lacs in the previous year ending December 2014.

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

During the Year under review, the Company has transferred ₹ 48,133, 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 2007-08 which remained unclaimed by the shareholders of the Company for a period of seven years from due date of payment.

Directors and Key Managerial Personnel

The Directors regret to report the sad demise of Shri Sohan Raj Mohnot, an independent director of the Company, on 4th October, 2015. The directors record their appreciation for the valuable contribution made by him during his long tenure as director in the Company.

In view of the provisions of the Companies Act, 2013, Shri Rishi 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 Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 four Independent Directors in terms of the provisions of Regulation 17(b) of the SEBI (LODR) Regulations, 2015. Necessary details in respect of the directors are 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 confirming that they meet the criteria of Independence specified in the Act and the Rules made thereunder as also under Regulation 25 of the SEBI (LODR) Regulations, 2015.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the key managerial personnel of the Company are Mr. Himanshu Baid, Managing Director, Mr. J.K. Oswal, Chief Financial Officer and Mr. Avinash Chandra, Company Secretary.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

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

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

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

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge hereby state and confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.

c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) the directors have prepared the annual accounts on a going concern basis.

e) the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively.

f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Policy on Directors' Appointment and Remuneration

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013, adopted by the Board are covered in Corporate Governance Report which forms part of this Report.

Further, the policy also indicates the manner of performance evaluation of Independent Directors, Board committees and other individual Directors which include criteria for performance evaluation of the non-executive and executive directors.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure – 1** and forms part of this Report.

Extract of the Annual Return

The extract of the Annual Return in Form No. MGT-9 forms part of the Board' Report and is annexed herewith as **Annexure-2**.

Auditors and Auditors' Report

Statutory Auditors

At the 19th Annual General Meeting held on September 23, 2014 M/s. Doogar & Associates, Chartered Accountants, (Firm Registration No.- 000561N), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2019. In terms of the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of M/s. Doogar & Associates, Chartered Accountants, (Firm Registration No.- 000561N), as Statutory Auditors of the Company, is being placed for ratification by the shareholders at the ensuing Annual General Meeting.

The Company has received a letter from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks. Further, during the year, in the course of the performance of their duties as auditor, no frauds were reported by them.

Cost Auditor

The Board of Directors has appointed M/s. Jai Prakash & Co., Cost Accountants as Cost Auditor for conducting the audit of cost records of the Company for the financial year 2016-17.

Secretarial Auditor

The Board of Directors has appointed M/s. B.K. Sethi & Company, (Certificate of Practice No.- 913), Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed this Report as **Annexure – 3**.

The Board of Director has appointed M/s. B.K. Sethi & Company, Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2016-17.

Particulars of Loans, Guarantees or Investments under Section 186

The Particulars of Loans, Investments and guarantees made/given by the Company, under Section 186 are furnished in **Annexure - 4** and forms part of the Report.

Particulars of Contracts or Arrangements with Related Parties

The particulars of every contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC - 2 in **Annexure - 5** and form part of this Report.

Fixed Deposits

Your Company has not accepted/or invited any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and Section 73/76 of the Companies Act, 2013, and as such, no amount of Principal or interest was outstanding as on the date of the Balance Sheet.

Corporate Social Responsibility

As per the Companies Act, 2013, all companies having a net worth of ₹ 500 Crore or more, or a turnover of ₹ 1,000 Crore or more or a net profit of ₹ 5 Crore or more during any financial year are required to constitute a CSR Committee of the Board of Directors comprising three or more directors, at least one of whom should be an independent director. All such Companies are required to spend atleast 2% of the average net profits of their immediately preceding three financial years on CSR related activities. Accordingly, the Company was required to spend ₹ 119.54 lacs towards CSR activities out of which ₹ 93.45 lacs was utilized for activities specified in schedule VII of the Companies Act, 2013. Details of CSR policy and the initiatives adopted by the Company on CSR during the year are available on the website of the Company at http://www.polymedicure.com/wp-content/uploads/2015/03/CSR_Policy_2015.pdf. The Annual Report on CSR as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure – 6** to this Report in the prescribed format.

The Company has not been able to spend all the funds required to be spent on CSR activities during the years 2014-15 and 2015-16. A total of ₹ 54.04 lacs is lying unspent with the Company which the Company intends to use for future CSR activities.

Details In Respect of Adequacy of Internal financial controls with reference to the financial statements

The Finance & Accounts Department of the Company have certified the existence of various controls in the Company and also tested the key controls towards assurance for compliance for the present fiscal.

Further, the testing of such controls is also carried out by the Statutory Auditors from time to time during the course of their audit of the records of the Company.

In the opinion of the Board, the existing internal control framework is adequate and commensurate with the size and nature of the business of the Company.

Details pursuant to Section 197(12) of the Companies Act, 2013

Details pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form

part of this Report and are annexed herewith as **Annexure-7**.

Quality

The Company continues its journey of delivering value to its customers. It adopted several significant external benchmarks and certifications. Poly Medicure is certified under various standards to meet the clients' demands & enhanced value delivery. The Company has been accredited with the International Quality Certifications and successfully implemented a well documented QMS (Quality Management System) which has been certified by Det Norske Veritas As (DNV GL) ISO 9001:2008, ISO-13485:2003, EN ISO 13485:2012 and CE mark (Product Certification) thus making the entire product range compliant with International Quality Standards.

Credit Rating

CRISIL renewed the ratings on the bank facilities of the Company, as under:

Long-Term Rating	CRISIL A+/ Stable
Short Term Rating	CRISIL A1

Foreign Currency Exposure

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

The Company has designed a review and control mechanism to minimize/mitigate 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.

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 Report forms an integral Part of this Report and is set out separately in 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, 2016 as per Regulation 26(3) of SEBI (LODR) Regulations, 2015. A declaration to this effect as signed by the Managing Director is annexed with this Report.

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 provided in "**Annexure-8**" forming part of Directors' Report.

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 2016-17 have been paid.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in "**Annexure 9**" and forming an integral part of this Report.

Green Initiatives

To take part in Green Initiative in the Corporate Governance, we propose to send documents such as Notices of General Meeting(s), Financial Statements, Annual Reports and other shareholders communications for the year ended 31st March 2016 in electronic form, to the email addresses provided by you and/or made available to the Company by the Depositories. The copy of annual report shall be available on the website of the Company and for inspection at the registered office of the Company, during office hours. In case any member wishes to get Annual Report and other communication in physical form, he may write to the company and the same will be provided free of cost.

Electronic copies of the Annual Report 2015-16 and Notice of the 21st Annual General Meeting would be sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2016 and the Notice of the 21st

Annual General Meeting would be sent in the permitted mode.

Acknowledgements & Appreciation

Your Directors wish to place on record their sincere appreciation for the continued co-operation and support extended to the Company by customers, vendors, legal advisors, consultants, business associates and all the employees, without whose cooperation the Company would not have achieved the results that have been achieved.

Yours Directors wish to acknowledge the valuable trust and confidence placed by the Joint Venture Partners, Banks, Institutions, Investors and customers. The Directors look forward to continued co-operation for the future.

For and on behalf of Board

8th August, 2016
New Delhi

D. R. Mehta
Chairman

Himanshu Baid
Managing Director

Annexure-1

REMUNERATION POLICY

Preamble:

Pursuant to the provisions of section 178 of the Companies Act, 2013, read with rule 6 of Companies (Meeting of Board and its powers) rules, 2014, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee consisting of three or more Non Executive Directors out of which not less than one half shall be Independent Directors. The Board has already constituted its Remuneration Committee comprising of Non-Executive Independent Directors. In order to align with the provisions of the Companies Act, 2013 and rules made there under the Board in its meeting held on 15th May, 2014 has changed the nomenclature of the Remuneration Committee to Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall determine the criteria of appointment to the Board and is vested with authority to identify candidates for appointment to the Board and evaluate their performance. This policy has been formulated by Nomination and Remuneration Committee and approved by the Board of Directors in compliance with section 178 of the Companies Act, 2013 read with rule 6 of Companies (Meeting of Board and its powers) rules, 2014.

Objectives:

The primary objective of the policy is to provide a framework and set standards for nomination, remuneration and evaluation of Directors, Key Managerial Personnel and Officers comprising the Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

The main objective of the policy and committee includes the following:

- To guide and recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- To formulate the criteria for determining qualification, positive attributes and independence of a Director and recommendation to the Board on the remuneration payable to Directors, Key Managerial Personnel and officials in Senior Management of the Company.

- Formulating the criteria for evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To guide on providing reward to Directors, Key Managerial Personnel and Senior Management directly linked to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented Managerial Personnel and create competitive advantage.
- To develop a succession plan for the Board Member, Key Managerial Personnel and Senior Management and to regularly review the plan.

Constitution and Composition of Nomination and Remuneration Committee:

I. Membership of the Committee:

- a) The Nomination and Remuneration Committee shall consist of a minimum 3 Non-Executive Directors, provided one half shall be Independent Directors.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

II. Chairman of the Committee:

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting.

III. Frequency of meetings:

The meeting of the Committee shall be held annually or as may be decided by the Chairman.

IV. Committee members' interests:

- a) A member of the Committee is not entitled to be present when his or her own, remuneration is to be discussed at a meeting or when his or her performance is being evaluated.
 - b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
- V. Secretary:
 The Company Secretary of the Company shall act as Secretary of the Committee.
- VI. Voting:
- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of Committee.
 - b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.
- VII. Minutes of Committee Meeting:
 Proceedings of all meetings must be recorded in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Definitions:

"Board" means Board of Directors of the Company.

"Company" means 'Poly Medicure Limited.'

"Independent Director" means a director referred to in Section 149(6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) means:

- (i) Managing Director or Chief Executive Officer or Manager
- (ii) Whole Time Director
- (iii) Company Secretary
- (iv) Chief Financial Officer

"Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

"Policy" shall mean **Nomination and Remuneration Policy.**

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

"Senior Management" mean personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all the functional heads.

Applicability:

The Policy shall be applicable to all the Directors (Executive and Non Executive), Key Managerial Personnel and Senior Management Personnel of the Company.

Policy for appointment and removal of Director, KMP and Senior Management:

I. Appointment Criteria and Qualifications:

- a) The Nomination and Remuneration Committee ("Committee") shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and at Senior Management level and recommend to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on explanatory statement annexed to the notice for such motion including the justification for extension of appointment beyond the seventy years.

II. Term/Tenure

- a) Managing Director, Whole Time Director and Executive Director
 The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole Time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) An Independent Director shall hold office for a term upto five consecutive years on the Board of the

Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board Report.

No Independent Director shall hold office for more than two consecutive terms of maximum of 5 years each, but such Independent Directors shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not during the said period of three years be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Evaluation/Assessment of Directors/KMPs/Senior Officials of the Company:

The evaluation/assessment of Directors, KMPs and the Senior Officials of the Company is to be conducted on an annual basis by the Committee.

The following criteria may assist in determining how effective the performances of Directors/KMPs/Senior Officials have been:

- Leadership & Stewardship abilities.
- Contributing to clearly define corporate objectives & plans.
- Communication of expectations & concern clearly with subordinates.
- Obtain adequate, relevant & timely information from external sources.
- Review & approval of achievement of strategic and operational plans, objectives, budgets.
- Regular monitoring of corporate results against projections.
- Identify, monitor & mitigate significant corporate risks.
- Assess corporate policies, structure & procedures.
- Director, monitor & evaluate KMP's, Senior Officials.
- Review management's succession plan.
- Effective meetings for corporate purposes.
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees.
- Review of corporation's ethical conduct.

Evaluation on the aforesaid parameters will be considered by the Independent Directors for each of the Executive/Non Executive/ Non Independent Director in a separate meeting of the Independent Director.

The Executive Director/Non Independent Director alongwith the Independent Directors will evaluate/ assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons the removal of Director, KMPs subject to the provisions and compliance of the Company's Act, rules and regulations.

For Senior Management Personnel the removal will be governed by Company's HR Policy and the subsequent approval of Managing Director.

Retirement:

The Director, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing HR Policy of the Company. The Board will have the discretion to retain the Director, KMPs, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to applicable laws.

Remuneration:

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and other Senior Management Officials.

The Directors, Key Managerial Personnel and other Senior Management Official's salary shall be based & determined on the basis of person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations and Remuneration Committee determines remuneration packages for Directors, KMP's and Senior Management Officials of the Company taking

into account factors it deems relevant, including but not limited to market conditions, business performance, prevailing laws and other guidelines.

i. Remuneration to Executive Directors:

- Section 197 of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole Time Director, and its Manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in section 198 of the Companies Act, 2013.
- The Company with the approval of the shareholders and Central Government may authorized the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of schedule V.
- The Company may with the approval of the shareholders authorize the remuneration of upto five percent of the net profit of the Company to any one Managing Director/Whole Time Director and ten percent in case of more than one such official.
- The Company may pay remuneration to its Directors, other than Managing Director and Whole Time Director upto one percent of the net profit of the Company.
- The net profit for the purpose of the above remuneration shall be computed in the manner referred to in section 198 of the Companies Act, 2013.

ii. Remuneration/ Sitting Fee to Non Executive/ Independent Director:

The Independent Directors shall not be entitled to any stock option of the Company. The Non Executive /Independent Directors may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purposes as may be decided by the Board and profit related commission as may be approved by the shareholders.

iii. Remuneration to Key Managerial Personnel and Officials in Senior Management

The remuneration payable to Key Managerial Personnel and to the officials in Senior Management shall be decided by the Board/Committee having regard to the provisions of Act, Policy of the Company and their experience, Leadership abilities, initiative taking abilities and knowledge base.

Duties of the Committee in relation to Nomination matters:

- Ensuing that on appointment to the Board, Non Executive/Independent Directors receive a formal letter of appointment as per the provisions of the Companies Act, 2013.
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board as per the provisions of the Companies Act, 2013.
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board
- Developing a succession plan for the Board and Senior Management and reviewing the plan from time to time.
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective.
- Recommend necessary changes to the Board
- Considering any other matters as may be assigned by the Board.

Duties of the Committee in relation to Remuneration matters:

- To consider and determine the remuneration based on the principles of (a) pay for responsibilities (b) pay for performance and potential.
- To pay for growth and ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the Directors, KMP's and Officials in Senior Management
- To take into account financial position of the Company, qualification, experience, past performance, past remuneration etc.
- To consider other factors as the Committee shall deem appropriate for elements of the remuneration of the members of the Board and ensure compliance

of provisions of Companies Act and other applicable laws.

- To ensure that a balance is maintained between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company in the remuneration of Directors, KMP's and Senior Management.
- To consider any other matters as may be assigned by the Board.

Review and Amend

- The Committee or the Board may review the policy as and when it deems necessary.
- The Committee may issue the guidelines, procedures, format, reporting mechanism and manual in supplement and better implementation to this policy, if it things necessary.
- The Company reserves the rights to modify, add, or amend any of these Policy Rules/Guidelines any time.

Evaluation of Director(s), KMP's etc.

The evaluation of Director(s), Key Managerial Personnel and president level employees of the Company is to be conducted on an annual basis by the committee. Below

mention criteria may be assisted in determining the effective of the performance:

Executive Directors:

1. Performance Criteria:

- Management qualities
- Results/Achievements
- Domain Knowledge
- Decision making

2. Personal Attributes:

- Leadership qualities
- Motivation and Commitment
- Vision
- Strategic Planning
- Principles and Values

Non Executive Independent Directors and Non Executive Non Independent Directors

- Engagement
- Strategic Planning
- Team spirit
- Knowledge and Skills

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L40300DL1995PLC066923
2.	Registration Date	30 th MARCH, 1995
3.	Name of the Company	POLY MEDICURE LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
5.	Address of the Registered office & contact details	232-B, THIRD FLOOR, OKHLA INDUSTRIAL ESTATE, PHASE-III, NEW DELHI-110020 TEL NO.: 011-26321838 FAX NO.: 011-26321894
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S. MAS SERVICES LIMITED T-34, OKHLA INDUSTRIAL AREA, PHASE-II, NEW DELHI-110020 TEL NO.: 011-26387281 FAX NO.: 011-26387384

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Infusion Therapy Product	46497	66.49

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%age of Shares held	Applicable Section
1	Poly Medicure Limited (Laiyang) Co. Ltd. China	Area A, Heshan Road, Laiyang Economical Development District, Laiyang, Shandong, China	370682400002685	Subsidiary	100	Section 2(87) of the Companies Act, 2013
2	U.S. Safety Syringes Co. LLC,	6601, Springpark Avenue Apt#5, Los Angeles, CA-90058	200700410131	Subsidiary	75	Section 2(87) of the Companies Act, 2013
3	Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	64, Nakhla Ei-Motei Street-Triumph-Heliopolis-Cairo, Egypt	346697	Associate	23	Section 2(6) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	17888704	0	17888704	40.55	17900704	0	17900704	40.57	0.02
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	3448572	0	3448572	7.82	3496572	0	3496572	7.92	0.10
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) Individual/HUF	113600	0	113600	0.26	113600	0	113600	0.26	0
b) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	21450876	0	21450876	48.63	21510876	0	21510876	48.76	0.13
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	147982	0	147982	0.34	0.34
b) Banks / FI	10349	0	10349	0.02	0	0	0	0	(0.02)
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investors	0	0	0	0	16962	0	16962	0.04	0.04
f) Venture Capital Funds	0	0	0	0	0	0	0	0	0
g) Insurance Companies	0	0	0	0	0	0	0	0	0
h) FIIs	3154665	0	3154656	7.15	3308735	0	3308735	7.50	0.35
i) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	3165014	0	3165014	7.17	3473679	0	3473679	7.87	0.70
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14318995	0	14318995	32.46	14431402	0	14431402	32.71	0.25
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1246150	236468	1482618	3.36	1608682	293604	1902286	4.31	0.95
ii) Individual shareholders holding	3219173	128000	3347173	7.59	2324271	60800	2385071	5.41	(2.18)

nominal share capital in excess of Rs 2 lakh									
c) NBFCs registered with RBI	0	0	0	0	4012	0	4012	0.01	0.01
d) Others (specify)									
Non Resident Indians/OCB	256105	54400	310505	0.70	326233	54400	380633	0.86	0.16
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	38259	0	38259	0.09	25381	0	25381	0.06	(0.03)
Trusts	0	0	0	0	100	0	100	0	0.00
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	19078682	418868	19497550	44.20	18720081	408804	19128885	43.36	(0.84)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	22243696	418868	22662564	51.37	22193760	408804	22602564	51.24	(0.13)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	43694572	418868	44113440	100.00	43704636	408804	44113440	100.00	0

b) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Rishi Baid	4913024	11.14	0	4913024	11.14	0	0
2	Himanshu Baid	4037312	9.15	0	4037312	9.15	0	0
3	Himanshu Baid(HUF)	1919600	4.35	0	1919600	4.35	0	0
4	Mukulika Baid	1531200	3.47	0	1531200	3.47	0	0
5	Rishi Baid(HUF)	1390000	3.15	0	1390000	3.15	0	0
6	Jugal Kishore Baid	1139688	2.58	0	1139688	2.58	0	0
7	Vishal Baid	828680	1.88	0	840680	1.91	0	0.03
8	Shailey Baid	594000	1.35	0	594000	1.35	0	0
9	Shireen Baid	560800	1.27	0	560800	1.27	0	0
10	Neha Baid	512000	1.16	0	512000	1.16	0	0
11	Dhruv Baid	180000	0.41	0	180000	0.41	0	0
12	Aaryaman Baid	140000	0.32	0	140000	0.32	0	0
13	Arham Baid	140000	0.32	0	140000	0.32	0	0
14	Pankaj Jain	1600	0.00	0	1600	0.00	0	0
15	Bhupendra Raj Mehta	800	0.00	0	800	0.00	0	0
16	Madhu Kothari	85600	0.19	0	85600	0.19	0	0
17	Vinay Kothari	28000	0.06	0	28000	0.06	0	0
18	Jai Polypan Pvt. Ltd.	1628000	3.69	0	1676000	3.80	0	0.11
19	VCB Trading Pvt. Ltd.	1820572	4.13	0	1820572	4.13	0	0
	Total	21450876	48.62		21510876	48.76	0	(0.14)

c) Change in Promoters' Shareholding (please specify, if there is no change)

There has been change in the Shareholding of Promoter Group of the Company. During the year, Mr. Vishal Baid and M/s. Jai Polypan Pvt. Ltd. purchased shares and necessary intimations/disclosures were given under SEBI Regulations.

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

SN	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Allegeny Finlease Pvt. Ltd.				
	Opening Balance	6181593	14.01	6181593	14.01
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0.00	0.00	6181593	14.01
	Closing Balance			6181593	14.01
2	BS Trade Invest Pvt. Ltd.				
	Opening Balance	4202094	9.52	4202094	9.52
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	(18974)	0.04	4183120	9.48
	Closing Balance			4183120	9.48
3.	Matthews India Fund				
	Opening Balance	1916830	4.35	1916830	4.35
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	159902	0.36	2076732	4.71
	Closing Balance			2076732	4.71
4	Sachchiya Enterprises Pvt. Ltd.				
	Opening Balance	1540592	3.49	1540592	3.49
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0.00	0.00	1540592	3.49
	Closing Balance			1540592	3.49
5	Dinero Wealth Pvt. Ltd.				
	Opening Balance	689290	1.56	689290	1.56
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	362431	0.82	1051721	2.38
	Closing Balance			1051721	2.38
6	EM Resurgent Fund				
	Opening Balance	880456	2.00	880456	2.00
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0.00	0.00	880456	2.00
	Closing Balance			880456	2.00
7	KJMC Financial Services Ltd.				
	Opening Balance	613083	1.39	613083	1.39
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	21812	0.05	634895	1.44
	Closing Balance			634895	1.44
8	Pantagon Builders Pvt. Ltd.				
	Opening Balance	453188	1.03	453188	1.03
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	(131035)	0.30	322153	0.73

	Closing Balance			322153	0.73
9	Ashish Kacholia				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	216864	0.49	216864	0.49
	Closing Balance			216864	0.49
10	Matthews Asia Funds - India Fund				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	140333	0.32	140333	0.32
	Closing Balance			140333	0.32

e) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Himanshu Baid (Managing Director)				
	Opening Balance	4037312	9.15	4037312	9.15
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0	0.00	4037312	9.15
	Closing Balance			4037312	9.15
2	Rishi Baid (Executive Director)				
	Opening Balance	4913024	11.14	4913024	11.14
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0	0.00	4913024	11.14
	Closing Balance			4913024	11.14
3.	Devendra Raj Mehta (Chairman)				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0	0.00	0	0.00
	Closing Balance			0	0.00
4	Dr. Sohan Raj Mohnot (Director)*				
	Opening Balance	48000	0.11	48000	0.11
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	(48000)	0.11	0	0.00
	Closing Balance			0	0.00
5	Jugal Kishore Baid (Director)				
	Opening Balance	1139688	2.58	1139688	2.58
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0	0.00	1139688	2.58
	Closing Balance			1139688	2.58
6	Mukulika Baid (Director)				
	Opening Balance	1531200	3.47	1531200	3.47
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0	0.00	1531200	3.47
	Closing Balance			1531200	3.47
7	Yeshwant Singh Choudhary (Director)				
	Opening Balance	4000	0.02	4000	0.02
	Transaction Purchase/(Sale) from April 1, 2015 upto March	0	0.00	4000	0.02

	31, 2016				
	Closing Balance			4000	0.02
8	Prakash Chand Surana (Director)				
	Opening Balance	10920	0.03	10920	0.03
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0	0.00	10920	0.03
	Closing Balance			10920	0.03
9	Shailendra Raj Mehta (Director)				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0	0.00	0	0.00
	Closing Balance			0	0.00
10	Jas Karan Sancheti Oswal (CFO)				
	Opening Balance	21304	0.05	21304	0.05
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0	0.00	21304	0.05
	Closing Balance			21304	0.05
11	Avinash Chandra (Company Secretary)				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2015 upto March 31, 2016	0	0.00	0	0.00
	Closing Balance			0	0.00

*Ceased to be a Director w.e.f. 4th October, 2015 due to sad demise

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7582.93	---	---	7582.93
ii) Interest due but not paid	37.32	---	---	37.32
iii) Interest accrued but not due	30.32	---	---	30.32
Total (i+ii+iii)	7650.57	---	---	7650.57
Change in Indebtedness during the financial year				
* Addition	320.25	---	---	320.25
* Reduction	-----	---	---	-----
Net Change	320.25	---	---	320.25
Indebtedness at the end of the financial year				
i) Principal Amount	7940.07	---	---	7940.07
ii) Interest due but not paid	30.46	---	---	30.46
iii) Interest accrued but not due	0.29	---	---	0.29
Total (i+ii+iii)	7970.82	---	---	7970.82

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Himanshu Baid	Mr. Rishi Baid	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,23,71,346	1,18,56,490	2,42,27,836
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,41,340	10,43,786	22,85,126
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	NIL	NIL	
3	Sweat Equity	NIL	NIL	
4	Commission - as % of profit - others, specify...	2,05,00,000	2,05,00,000	4,10,00,000
5	Others, please specify	NIL	NIL	
	Total (A)	3,41,12,686	3,34,00,276	6,75,12,962
	Ceiling as per the Act	10% of Net Profit for all Executive Directors – Managing and Executive Director 5% of Net Profit to any one Managing or Executive Director		

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Devendra Raj Mehta	Prakash Chand Surana	Sohan Raj Mohnot*	Yeshwant Singh Choudhary	Shailendra Raj Mehta	
1	Independent Directors						
	Fee for attending board committee meetings	2,95,000	3,90,000	1,65,000	3,25,000	3,25,000	15,00,000
	Commission	7,50,000	7,50,000	NIL	7,50,000	7,50,000	30,00,000
	Others, please specify						
	Total (1)	10,45,000	11,40,000	1,65,000	10,75,000	10,75,000	45,00,000
2	Other Non-Executive Directors	Jugal Kishore Baid		Mukulika Baid			
	Fee for attending board committee meetings	2,95,000		2,70,000			5,65,000
	Commission	7,50,000		7,50,000			15,00,000
	Others, please specify						
	Total (2)	10,45,000		10,20,000			20,65,000
	Total (B)=(1+2)	65,65,000					65,65,000

	Total Managerial Remuneration	7,40,77,962	7,40,77,962
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors	

*Ceased to be a Director w.e.f. 4th October, 2015 due to sad demise

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		Jas Karan Sancheti (CFO)	Avinash Chandra (CS)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,45,248	4,98,663	36,43,911
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,18,800	17,882	1,36,682
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	others, specify...			
5	Others, please specify			
	Total	32,64,048	5,16,545	37,80,593

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act/Indian Stamp Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NA
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

Annexure-3

B.K. Sethi & Co. Tel:43036172, 22146283
 Company Secretaries Mobile: 9810205828
 C-195, Vivek Vihar Email: sethibk.100@gmail.com
 Delhi-110095

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013
 AND RULE NO. 9 OF THE COMPANIES (APPOINTMENT AND
 REMUNERATION PERSONNEL) RULES, 2014

To,
 The Members,
 Poly Medicure Limited

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

We have examined the books, papers, minute books, forms and returns filled and other records maintained by M/s. Poly Medicure Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

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

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 However, the Company has not been able to spend all the funds required to be spent on CSR activities during the years 2014-15 and 2015-16. A total of 54.04 lacs is lying unspent with the Company. The Company has explained that it intends to use the unspent amount for future CSR activities.
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and external Commercial Borrowings;

- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Drugs and Cosmetics Act, 1940 (Mention the other laws as may be applicable specifically to the Company)

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange;
- iii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We also examined the compliance of the undermentioned laws on test check basis. Other laws applicable to the Company :

Employees State Insurance Act; Employees Provident Fund and Misc. Provisions Act, 1952; Factories Act, 1948; Payment of Wages Act, 1948; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Employees Compensation Act, 1923; The Trade Union Act, 1926; Contract Labour (Regulation and Abolition) Act, 1970; Maternity Benefit Act, 1961; Industrial Employment and Standing Orders Act, 1946; Sexual Harassment of Women at Work Place (Prevention, Prohibition and Regulation) Act, 2013; Acts prescribed under Direct Tax and Indirect Taxes.

For B.K. Sethi & Company

B.K. Sethi
 Proprietor
 FCS-853/CP-913
 New Delhi
 dated the 8th August, 2016

Annexure-4

Details of Investments as on 31st March, 2016

S. No.	Name of Company	Relationship	Amount (INR) (in Lakhs)
1	U.S. Safety Syringes Co. LLC, USA*	Subsidiary	130.33
2	Poly Medicure (Laiyang) Co. Ltd. China*	Subsidiary	472.39
3	Ultra for Medical Products (U.M.I.C) S.A.E., Egypt*	Associate	88.67

*Exempt under section 186 of the Companies, Act, 2013

Details of Loans given during the year ending 31st March, 2016

S. No.	Name of Company	Relationship	Amount (INR) (in Lakhs)
1	Poly Medicure (Laiyang) Co. Ltd. China	Subsidiary	178.88

Details of Guarantees as on 31st March, 2016

The Company has not issued any Corporate Guarantee.

Annexure-5

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

None; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS

- (a) Name(s) of the related party and nature of relationship: **NA**
 (b) Nature of contracts/arrangements/transactions: **NA**
 (c) Duration of the contracts / arrangements/transactions: **NA**
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **NA**
 (e) Justification for entering into such contracts or arrangements or transactions **NA**

- (f) Date(s) of approval by the Board: **NA**
 (g) Amount paid as advances, if any: **NA**
 (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **NA**

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

- (a) Name(s) of the related party and nature of relationship: **M/s. Vitromed Healthcare, Jaipur**
 (b) Nature of contracts/arrangements/transactions: **Sales Contract with M/s Vitromed Healthcare, Jaipur.**
 (c) Duration of the contracts / arrangements/transactions: **3 (Three) Years.**
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Company hereby agrees to sell its products and components of Medical Devices to the Buyer on fair price basis/Prevailing market rates.**

- (e) Date(s) of approval by the Board, if any: **01st April, 2014**
 (f) Amount paid as advances, if any: **No Advance**

3. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: **M/s. Vitromed Healthcare, Jaipur**

(b) Nature of contracts/arrangements/transactions: **Purchase Contract with M/s Vitromed Healthcare, Jaipur.**
 (c) Duration of the contracts / arrangements/transactions: **3 (Three) Years.**
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Company hereby agrees to purchase products and components of Medical Devices from the Seller on fair price basis/Prevailing market rates.**
 (e) Date(s) of approval by the Board, if any: **9th February, 2013**
 (f) Amount paid as advances, if any: **No Advance**

4. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship: **M/s. Vitromed Healthcare, Jaipur**
 (b) Nature of contracts/arrangements/transactions: **Job work Contract with M/s Vitromed Healthcare, Jaipur.**
 (c) Duration of the contracts / arrangements/transactions: **3 (Three) Years.**
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Company hereby agrees for job work contracts for some of the products and components of Medical Devices on prevailing market rates.**
 (e) Date(s) of approval by the Board, if any: **13th May, 2013**
 (f) Amount paid as advances, if any: **No Advance**

5. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship: **M/s. Jai Polypan Pvt. Ltd., Jaipur**
 (b) Nature of contracts/arrangements/transactions: **Rent Contract with M/s Jai Polypan Pvt. Ltd., Jaipur**
 (c) Duration of the contracts / arrangements/transactions: **N/A**
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Company hereby agrees to take property on rent on fair price basis/Prevailing market rates.**
 (e) Date(s) of approval by the Board, if any: **2nd June, 2000**
 (f) Amount paid as advances, if any: **No Advance**

6. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship: **M/s. Vitromed Healthcare, Jaipur**
 (b) Nature of contracts/arrangements/transactions: **Rent Contract with M/s Vitromed Healthcare, Jaipur**
 (c) Duration of the contracts / arrangements/transactions: **N/A**
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Company hereby agrees to give the property on rent on fair price basis/Prevailing market rates.**
 (e) Date(s) of approval by the Board, if any: **31st July, 2006**
 (f) Amount paid as advances, if any: **No Advance**

7. Details of material contracts or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship: **M/s. Ultra for Medical Products, Egypt, in which Company has 23% shareholding and Shri Himanshu Baid and Shri Rishi Baid, Directors of the Company, is also Directors in M/s. Ultra for Medical Products, Egypt.**
 (b) Nature of contracts/arrangements/transactions: **Sales Contract with M/s Ultra for Medical Products, Egypt**
 (c) Duration of the contracts / arrangements/transactions: **2 (Two) Years i.e. FY 2014-15 and 2015-16**
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Company hereby agrees to sell goods and materials, for the maximum amount of ₹ 20 Crores per annum on fair price basis/Prevailing market rates subject to transfer pricing norms prevalent in the Country.**
 (e) Date(s) of approval by the Board, if any: **30th July, 2014**
 (f) Amount paid as advances, if any: **No Advance**

For and on behalf of Board of Directors

New Delhi
 8th August, 2016

D. R. Mehta
 Chairman

Himanshu Baid
 Managing Director

Annexure-6

ANNUAL REPORT ON CSR PURSUANT TO RULES 8 & 9 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program.

In adherence to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its meeting held on 15th May, 2014, has approved a CSR Policy of the Company.

In accordance with the primary CSR philosophy of the Company and the specified activities under Schedule VII to the Companies Act, 2013, the CSR activities of the Company cover certain thrust areas such as Eradicating hunger, poverty and malnutrition, Promoting Health Care, Promoting gender equality and empowering women, supporting education and healthcare.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company http://www.polymedicure.com/wp-content/uploads/2015/03/CSR_Policy_2015.pdf.

2. The composition of CSR committee

As at 31st March, 2016, the Corporate Social Responsibility Committee comprises of 3 (Three) members of the Board, 2 (Two) of which are Non-Executive Directors and remaining 1 (One) is Managing Director. The Chairman of the Committee is an Independent Director.

S. NO.	NAME	DESIGNATION
1	Shri Devendra Raj Mehta	Chairman
2	Shri Jugal Kishore Baid	Member
3	Shri Himanshu Baid	Member

3. Average net profit of the Company for last 3 FY

The Average Net Profit of three financial years preceding the reporting financial year (i.e. 2014-15, 2013-14, 2012-13) calculated in accordance with section 135 of the Companies Act, 2013 is ₹ 5,977.06 Lacs.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

The prescribed CSR Expenditure to be incurred during the financial year i.e. 2015-16 is ₹ 119.54 Lacs.

5. Details of CSR spent during the FY

(a) Total amount to be spent for the FY = ₹ 119.54 Lacs

(b) Amount unspent = ₹ 26.09 Lacs

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

(₹ in Lacs)

S. No	CSR Project or activity defined	Sector in which the project is covered*	Projects or programs	Amount Outlay (budget) project or program wise	Amount spent on the projects or program	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	On Providing food and related services	(i)	Eradicating Hunger, poverty and malnutrition	50.00	30.98	30.98	30.98
2	On Promotion of Healthcare	(i)	Promoting healthcare including Preventive Healthcare through awareness programmes	10.00	3.45	3.45	3.45
3	On Promotion of Education including provision for Scholarship	(ii)	Promoting gender equality and empowering women.	50.00	46.81	46.81	46.81

4	On Welfare for disabled person	(ii)	Promoting gender equality and empowering women.	15.00	12.21	12.21	12.21
	Total			120.00	93.45	93.45	93.45

* Sector refers to the Entries specified in Schedule VII to the Companies Act, 2013.

6. In case the company has failed to spend the 2% of the average net profit of the last 3 FYs or any part thereof, the company shall provide the reason for not spending the amount in its board report.

The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable which coupled with new initiatives that may be considered in future, moving forward the Company will endeavor to spend on CSR activities in accordance with the prescribed limits.

7. Responsibility Statement

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of **Board of Directors**

8th August, 2016
 New Delhi

D. R. Mehta
 Chairman

Himanshu Baid
 Managing Director

Annexure-7

(A) DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	– Ratio of the remuneration of Shri Himanshu Baid, Managing Director to the median remuneration of the employees – 161 :1 – Ratio of the remuneration of Shri Rishi Baid, Executive Director to the median remuneration of the employees – 158 : 1 – Ratio of the remuneration of Shri Jas Karan Sancheti Oswal, CFO – 15 : 1

(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	– Shri Himanshu Baid, MD – 4.32% – Shri Rishi Baid, ED – 3.91% – Shri Jas Karan Sancheti Oswal, CFO – (2.51 %)
(iii)	Percentage increase in the median remuneration of employees in the financial year	29.09%
(iv)	Number of permanent	1,594 Employees

	employees on the rolls of company					the company as at the close of the current financial year and previous financial year	
(v)	Explanation on the relationship between average increase in remuneration and company performance	Average increase in remuneration – 29.09% Average increase in Profit Before Tax – (23.25%)				(viii)	Covered in sub-clause (vi) above.
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	KMP Shri Himanshu Baid Shri Rishi Baid Shri Jas Karan Sancheti Oswal	Remuneration (₹ in Lacs) 341.13 334.00 32.64	Company Performance (PBT) (₹ in Lacs) 6,504.16		(ix)	Key parameters for any variable component of remuneration availed by the directors • Financial and operating performance of the Company • Industry/ sector trends for the remuneration paid to executive directorate
(vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of	Variations in the market capitalization – Market capitalisation as at 31st March, 2015: ₹ 2,22,684.65 lacs – Market capitalisation as at 31st March, 2016: ₹ 1,25,238.10 lacs Variations in the PE Ratio – PE Ratio as at 31st March, 2015: 35.60 – PE Ratio as at 31st March, 2016: 26.36 226 times increase in the market quotation of the Shares in comparison to the rate at which the company came out with IPO, adjusted for bonus issue / split.				(x)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year
						(xi)	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

(B) STATEMENT SHOWING PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Persons employed for the full year ended March 31st, 2016 who were in receipt of the remuneration which in the aggregate was not less than ₹ 60,00,000/- p.a.

S. No.	Employee Name	Designation	Gross Remuneration (₹ In Lacs)	Qualification	Total Experience in Years	Date of commencement of Employment	Age in years	Last Employer & Designation Head
1	Shri Himanshu Baid	Managing Director	341.13	Electronics Engineer	28	20 th September, 1996	48	Hanuman Tin Factory Manager
2	Shri Rishi Baid	Executive Director	334.00	BSME, MSME	23	1 st August, 1997	44	Miles Pharma Inc. USA Engineer

Persons employed for part of the year ended 31st March, 2016 who were in receipt of the remuneration which in the aggregate was not less than ₹ 5,00,000/- p.m.

S. No.	Employee Name	Designation	Gross Remuneration	Qualification	Total Experience in Years	Date of commencement of Employment	Age in years	Last Employer & Designation Head
NIL								

Notes:

1. Remuneration includes salary, allowances, company's contribution to provident fund, commission, retirement benefits and monetary value of perquisites. The term remuneration has the meaning assigned to it in the Explanation to Section 198 of the Companies Act, 2013.
2. The nature of employment in all cases is contractual. The other items and conditions are as per the companies rule.
3. Shri Himanshu Baid, Managing Director is related to Shri Jugal Kishore Baid, Director, Smt. Mukulika Baid, Director and Shri Rishi Baid, Executive Director.
4. Shri Rishi Baid, Executive Director is related to Shri Jugal Kishore Baid, Director, Smt. Mukulika Baid, Director and Shri Himanshu Baid, Managing Director.

Annexure-8

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Healthcare Sector

India is the world's 10th largest economy with a GDP of US\$1.9 trillion and accounts for approximately 16-17% of the world's population with 1.25 billion plus inhabitants. The population is expected to reach 1.4 billion by 2026, of which over 50% would be aged 30 years or older, compared to 40% currently. As per WHO estimates, of the total 9.8 million deaths occurred in 2012 in India, non-communicable diseases (NCDs) accounted for 60% of the death and nearly 17% were caused due to cardiovascular diseases. While progress has been made in the past decade in improving the quality of healthcare services in India, the overall standard of healthcare infrastructure is still well below global benchmarks.

The total healthcare expenditure in India was only 3.9% of GDP, compared to 8.9% for Brazil, 6.2% for Russia and 5.2% for China. Out-of-pocket expenditure is as high as 61%, with only 25% of the population being covered by health insurance.

Healthcare Infrastructure

Healthcare has become one of the India's largest sectors – both in terms of revenue and employment. The Indian healthcare sector is growing at a brisk pace due to strengthening coverage, services and increasing expenditure by public as well as private players.

There is a significant increase in the number of hospitals and hospital beds in India. Bed strength had increased from 0.8 million in 2002 to 1.6 million in 2012, and is further expected to increase to around 3 million by 2025 to achieve the target of 3 beds per 1000 people. This increase has been driven primarily by growing presence of corporate hospital chains, international companies and service providers entering tier 2 and tier 3 cities.

The healthcare industry is also witnessing the emergence of new formats like chains of multispecialty outpatient clinics, mother-and-child hospitals, short stay surgery centers, IVF centers etc. which are driving demand for medical devices.

India's competitive advantage in healthcare lies in its large pool of well-trained medical professionals. India is also cost competitive compared to its peers in Asia and Western countries.

Healthcare Market Size

The healthcare industry in India registered a Compound Annual Growth Rate (CAGR) of 10% over the past few years and is expected to reach US\$ 145 billion by 2018 and over US\$ 280 billion by 2025 (Source: Deloitte report on Medical Devices in India).

There is a significant scope for enhancing healthcare services considering that healthcare spending as a percentage of GDP is rising. Rural India, which accounts for over 70 per cent of the population, is set to emerge as a potential demand source.

Medical Device Sector an overview and growth opportunities

Globally the medical technology market is expected to be US\$ 600 billion+ by 2025 implying a manufacturing base of US\$ 200 billion by then. The Indian market is among the top twenty in the world by market size, and fourth in Asia after Japan, China & South Korea. The Medical Technology sector in India valued at US\$ 6.3 billion in 2013 at end consumer prices and is growing at 10-12% per year. Currently the Indian medical devices industry represents just over 1.3% of the global medical device market.

The opportunity is significant and most recent studies indicate that medical devices expected to be a US\$ 25-30 billion industry in India by 2025. The Indian market is currently growing at a healthy CAGR of around 10-12%, significantly higher than global industry growth of 4-6%. Industry estimates indicate a much larger potential to grow at 28% to US\$ 50 billion by 2025 with an enabling policy framework and ecosystem support from the government of India. This growth is expected to be driven by indigenous manufacturing and exports and, sales from local innovation. At this rate of growth, India is expected to contribute significantly to the incremental share of the global market for 2020-25.

Key drivers which will lead to the rapid growth to the Indian medical devices sectors are:

- Growing disease burden in the country.
- Increasing income level leading to higher affordability
- Improvement in medical infrastructure
- Innovative business models adopted by companies to shape the market and enhance access to medical devices beyond metros and tier 1

- Innovating to develop a “For India” portfolio
- Increasing demand due to “Medical Tourism”

Current landscape and key considerations for growth of Medical Devices Manufacturing in India

Consumables and implants contributed 19% of the total medical devices industry size in 2014 and expected to grow at a rate of 10-12% over 2014-2020.

Despite the significant presence of domestic players in the industry, the Indian medical devices market is still largely dependent on imports. The size of indigenous manufacturing is small and fragmented although characterized by the presence of both domestic and MNC players. Local manufacturers are primarily focusing their R&D efforts on developing affordable medical devices for the lower and middle income segments of the Indian market and therefore operate predominantly in the low priced, high volume market segments. While the potential of the medical device sector is acknowledged with its inclusion in the ‘Make in India’ initiative, it is essential to leverage the initiatives to kick-start indigenous manufacturing and realize the twin objectives of accessibility and affordability.

‘Local innovations’ by the industry players is expected to drive indigenous manufacturing and lead to rapid growth of exports. Exports of medical devices have grown at a rate of around 12% over the past five years, reaching a value of USD 1.2 billion in 2014. This indicates strong performance of the domestic manufacturing industry although limited in size. The Consumables and implants segment accounts for more than 40% of the Medical Device exports from India.

The recent steps taken by the Government of India to support the medical devices industry includes:

- Separate Medical Device Bill– a long outstanding demand from the industry. The government recently published the draft medical devices rules for comments from stakeholders and the new Medical Device Bill is expected to be tabled on Parliament in the 2016 winter session.
- Appointing a nodal body for medical devices and improving inter-department coordination
- National Medical Devices Policy – which will offer benefits to local manufacturers directly subsidize various local businesses and offer preferential tax treatment

- Development of clusters to support growth and innovations and Medical Devices parks
- Medical Devices covered under “Make in India”
- Correction in inverted duty structure to help local manufacturing

Overview

We are one of the leading manufacturer and exporter of medical devices with dominant position in disposable medical devices market with focus on innovation, safety and quality and have a vision to provide highest quality of healthcare available to all. We manufacture and supply, in India and internationally, a diverse portfolio of disposable medical devices in the product verticals of infusion therapy, blood management, gastroenterology, surgery and wound drainage, anesthesia and urology. We had over 100 varieties of disposable medical devices, including veterinary disposable devices.

We have been recognized as the highest exporter of plastic medical disposables/ surgical devices from 2011-12 to 2014-15 (continuously for 4 years) by the Plastics Export Promotion Council, sponsored by Department of Commerce, Government of India, and have also received the ‘Gold Award’ for 2014-15 in recognition of our commendable contribution in Medical Devices/Surgical/Diagnostics Category from the Pharmaceuticals Export Promotion Council of India, supported by the Department of Commerce, Government of India. Approximately 65.57% of our total revenues were attributable to export of our products for fiscal 2016. Our Managing Director, Mr. Himanshu Baid, was awarded “Business Leader of the Year” by Faridabad Industries Association.

Based on the efforts of our research and development division, we have successfully been granted 144 product and process patents globally and have also filed for grant of an additional 394 patents in India and worldwide. We are in the process of introducing new products in Oncology, Nephrology & Respiratory care segments.

Our Business

We currently have six(6) manufacturing facilities across India, China and Egypt. In India, we have four manufacturing facilities, two of which are situated at Faridabad, Haryana, and one each in Jaipur, Rajasthan and Haridwar, Uttarakhand. One of our facilities in Faridabad has been inspected by the USFDA under the Quality System/Good Manufacturing Practices (“QS/GMP”)

Regulation. Further, our Indian manufacturing facilities have been accredited with several international quality certifications, including CE mark certificates for quality management systems and management system certificates for compliance with ISO 9001:2008/ISO 13485:2003 by Det Norske Veritas (DNV), Norway. Our manufacturing facility in China is certified to be compliant with Korea Good Manufacturing Practices by the Korea Food and Drug Administration ("Korea FDA") and has been accredited with a CE mark certificate for its products and EN ISO 13485:2012 for its quality management system by TÜV Rheinland LGA Products GmbH. The Egypt manufacturing facility, Ultra for Medical Products, which operates from the city Assuit is a joint venture (JV) and we hold 23% equity interest. This facility is also accredited with CE mark certificates and ISO 9001:2008/ISO 13485:2003 by SGS United Kingdom Ltd.

Over the span of 19 years, our broad sales and distribution network across pan-India reached over 40 distributors and 1300 dealers. Our long business relationship with mainstream distributors shows the faith and trust they have with us. Our domestic sales division also involved in creating awareness of our products over 3,000+ private and government hospitals and nursing homes across India. We export our products to over 90+ countries in Europe, south-east Asia, the Middle East, South and Central America and Africa through over 150 distributors in these jurisdictions.

Our Operations

Our manufacturing facilities situated in India and China. In addition, we hold a 23% equity interest in Ultra for Medical Products, Egypt, that operates a manufacturing facility in Assuit, Egypt for disposable medical devices.

Our Products

Our present vast product portfolio comprises more than 100 varieties of disposable medical devices which are broadly divided into eight product verticals. Infusion Therapy, Anesthesia, Urology, Gastroenterology, Blood Management and Blood Collection, Surgery and Wound Drainage, Dialysis and Central Venous Access Catheters. All of our products have been well accepted in the global as well as Indian markets.

We also seek to further develop our portfolio of safety medical devices in several product verticals and foray into new product verticals with a focus on developing and manufacturing critical care medical devices.

Our Manufacturing Facilities

India

We currently operate four manufacturing facilities in India, two of which are located at Faridabad (Haryana), one at Jaipur (Rajasthan) and one at Haridwar (Uttarakhand). Our manufacturing facilities located at Faridabad, Haryana commenced commercial operations in fiscal 1997 and fiscal 2004 and are spread over a total area of 3,720 square meters and 7,920 square meters, respectively. Our manufacturing facility located at Haridwar, Uttarakhand commenced commercial operations in fiscal 2008 and is spread over an area of 3,825 square meters. Our manufacturing facility in Jaipur, Rajasthan commenced commercial operations in fiscal 2015 and is spread over a total area of 31,211.74 square meters.

Each of these four manufacturing facilities include a clean room area, aggregating to a total area of 9,753.59 square meters, which is a controlled environment designed to prevent contamination of our products during production.

Construction of a new facility in IMT, Faridabad has been started and which is likely to be ready by third quarter of 2017.

China

The Company's China facility has added new warehousing space to cater for additional production demand. Also, investments have been made in adding capacity for some new products.

Egypt

The Associate Company has made additional investments to increase manufacturing capacity by 25% and further investments are planned to increase market share in North African Countries.

Manufacturing Process & Technology

We use highly sophisticated equipment's and technology to manufacture medical devices under clean room conditions. The utilization of these automated equipment's and technology reasonably leads to bring the cost per part to the lowest possible level with desired design and characteristics.

Mass production technologies are used to optimize manufacturing costs. The company is focusing in new emerging trends in medical plastic engineering like bonded joint technology, welding of thermo plastic components to enhance the performance of its products.

The company is making investment in advanced extrusion technologies such as small tube diameters, reduced wall thickness, improved functionability and variable properties along the length and cross section of the tube to cater the critical care segment.

Research and Development

Our R&D (Research & Development) plays a very important role in the success of our business. R&D contributes to sustainability of business. It is the R&D function that provides a platform for creativity and innovation to flourish. R&D helps our business to have a competitive edge over the competitors. It also leads to long term business sustainability. Some of the key features of our R&D activities are:

- Our Research and Development center has more than 40 qualified staff.
- Excellent infrastructure in CAD, CAM and Analysis software.
- Constant skill upgradation programs.
- Research and Development activities includes Product design, Proto typing lab, Tool design capabilities and Metrology lab.
- Research and Development team also works in enhancing process stability, improve quality and enhance productivity maintaining cost effectiveness.
- Developing strong knowledge of IPR to strengthen innovation.

To further argument R&D Capabilities, new Research and Development center in Faridabad is under construction and will be operational by Quarter 3 of the fiscal 2016. Some of the key features of new Research and Development Center are:

- New 15-20 qualified research staff will added to function innovate in new areas of Business.
- Doubling our current infrastructure for tooling and design.
- Adding "state-of-art" softwares.
- Creation of new generation of Medical Devices.
- Development of new technology platforms.

Sales and Distribution Network

Our country-wide sales and distribution network in India enables us to have a wide market base. As of March 31, 2016, our distribution network included over 40 distributors and over 1300 dealers. We believe we have

developed long term relationships with a majority of our distributors.

In addition to our distribution network, our sales & marketing division comprising of over 225 employees, as of March 31, 2016, is involved in the creating awareness of our products in over 3,000 private and government hospitals, including by conducting continuing medical education (CME) programmes in several hospitals and health centers.

Financial Performance

Income

Our total revenues comprise revenue from operations (sale of products and other operating revenues, net of excise duty paid or payable) and other income (including interest income, dividend income and other non-operating income).

Total revenue increased from ₹ 39,846.75 lacs in fiscal 2015 to ₹ 42,052.31 lacs in fiscal 2016 primarily due to growth in our revenue from operations, for reasons described below.

Revenue from Operations

Gross revenue from operations increased from ₹ 39,513.69 lacs in fiscal 2015 to ₹ 41,793.32 lacs in fiscal 2016 and our net revenue from operations increased from ₹ 39,034.70 lacs in fiscal 2015 to ₹ 41,225.72 lacs in fiscal 2016, which was primarily due to increased sales of our products.

Sale of products, increased from ₹ 38,875.19 lacs in fiscal 2015 to ₹ 41,317.56 lacs in fiscal 2016 (which constituted sale of manufactured goods of ₹ 40,532.48 lacs and sale of traded goods of ₹ 785.08 lacs), primarily on account of increase in sales of our products, including from the continued sale of our medical devices Infusion therapy products and blood management products.

Other operating revenues decreased from ₹ 638.50 lacs in fiscal 2015 to ₹ 475.76 lacs in fiscal 2016.

Other Income

Other income increased from ₹ 812.05 lacs in fiscal 2015 to ₹ 826.59 lacs in fiscal 2016 primarily on account of increase in interest income, gains on net foreign exchange fluctuations and gains on fixed assets sold/discarded.

Expenses

Our total expenses except finance cost, depreciation & tax increased from ₹ 30,622.42 lacs in fiscal 2015 to ₹ 32,648.12 lacs in fiscal 2016.

Cost of raw materials including packing materials consumed and purchase of stock-in-trade

Cost of raw materials including packing materials consumed (which mainly includes plastic granules, PVC sheets, boxes, medical paper and film) and purchase of stock-in-trade increased from ₹ 14,655.41 lacs in fiscal 2015 to ₹ 14,767.79 lacs in fiscal 2016 due to increased production.

Employee Benefit Expenses

Employee benefit expenses increased from ₹ 6,499.18 lacs in fiscal 2015 to ₹ 7,477.49 lacs in fiscal 2016, primarily due to an increase in minimum wages & higher provision of bonus, and on account of increase in the number of full time employees from 1,586 as on March 31, 2015 to 1,594 as on March 31, 2016.

Research and development expenses

Research and development expenses increased from ₹ 846.66 lacs in fiscal 2015 to ₹ 871.13 lacs in fiscal 2016. As a percentage of our total revenue, research and development expenses decreased from 2.12% in fiscal 2015 to 2.07% in fiscal 2016.

Other Expenses

Other expenses increased from ₹ 9,019.11 lacs in fiscal 2015 to ₹ 9,510.68 lacs in fiscal 2016, primarily on account of increase in power and fuel expenses and other manufacturing expenses.

Earnings before interest, tax, depreciation and amortization.

Our EBITDA increased from ₹ 9,224.33 lacs in fiscal 2015 to ₹ 9,404.19 lacs in fiscal 2016.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased from ₹ 1,877.09 lacs in fiscal 2015, to ₹ 2,102.89 lacs in fiscal 2016, primarily on account of depreciation on setting up of our manufacturing facility in Jaipur (Rajasthan) in fiscal 2015 and increase in gross block. Further, with effect from April 1, 2014, our Company has revised the estimated useful life of all of its fixed assets in accordance with Schedule II of the Companies Act, 2013.

Finance costs

Our finance costs decreased from ₹ 829.85 lacs in fiscal 2015, to ₹ 797.14 lacs in fiscal 2016, primarily on account of decrease in borrowings.

Profit Before Tax

Our profit before tax decreased from ₹ 8,475.19 lacs in fiscal 2015 to ₹ 6,504.16 lacs in fiscal 2016, largely due to exceptional income in previous year.

Tax Expenses

Tax expenses decreased from ₹ 2,309.90 lacs in fiscal 2015 (which consisted of current tax of ₹ 2,055.34 lacs, tax adjustment for earlier years of ₹ 2.35 lacs, deferred tax of ₹ 252.21 lacs) to ₹ 1,756.87 lacs in fiscal 2016 (which consisted of current tax of ₹ 1,604.33 lacs, tax adjustment for earlier years (net) of ₹ 2.35) lacs and deferred tax of ₹ 154.89 lacs) primarily due to an decrease in the profit for fiscal 2016.

Profit for the Year

For the various reasons discussed above, profit for the year decreased from ₹ 6,165.29 lacs in fiscal 2015 to ₹ 4,747.29 lacs in fiscal 2016.

Share of profit from associates

Share of profit from our associate Ultra for Medical Products (U.M.I.C) S.A.E., Egypt, increased from ₹ 66.99 lacs in fiscal 2015 to ₹ 79.50 lacs in fiscal 2016.

Net profit for the year

For the various reasons discussed above, net profit for the year decreased from ₹ 6,232.28 lacs in fiscal 2015 to ₹ 4,826.79 lacs in fiscal 2016.

Risks Relating to Our Business and Operations

Our Company leverages its deep domain and management insights to undertake proactive counter-measures that strengthen viability across verticals, products, geographies and market cycles. The Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of internal controls in place. Governed by a strong compliance ethic, it relies heavily on risk management and forecasting frameworks to manage competitive, economic, financial, geo-political and social risks. Company has put in place response mechanisms that mitigate environmental, operational and business risks and minimize impact on business.

Recent swings in global currencies & political uncertainties have brought exchange-rate risk back to the forefront for companies working with suppliers, production, or customers in different currencies. What really matters to your Company are changes in real terms—that is, when currency changes are adjusted for differences in inflation. That often works itself out over the long term, but not for

all currencies and not necessarily in the short term. Considering your Company's international ambitions and value delivery potential of global supply chains, detailed analysis of currency dynamics is very much required for making right decisions. The Company was able to cope up with these pressures due to strong operational efficiency and increased market share of its products.

Extreme volatility of exchange rate of rupee against US dollar can have significant impact on the Company's operations because approximately 65.57% of its total revenues consist of exports.

Our distributors rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Any disruption at our manufacturing facilities on account of any of these factors could result in interruption in our manufacturing process and delay the delivery of products to our distributors. Further, any labor disruptions or delay in delivery of equipment by our suppliers or any disruption in the power supply, for which we rely on local utilities, may result in us breaching our product deadlines and thereby, materially adversely affecting our business, cash flows, financial conditions and results of operations.

The uncertainty of a risk event as well as the probability of occurrence or potential impact should decrease by selecting the appropriate risk mitigation strategy. Four mitigation strategy categories broadly used by your Company are: Risk avoidance, Risk reduction, Risk Retention and Risk transfer.

Internal Control System & Adequacy

Internal controls encompass a set of rules, policies and procedures to provide reasonable assurance for achievement of an organisation's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. We have internal control systems that are commensurate with the size and nature of its operations. We have adequate internal financial controls which were tested by independent agencies and no material weaknesses were observed. Standard Operating Procedures are in place for critical areas of operations and the same are reviewed periodically. The internal audit team monitors the effectiveness of the internal control systems. The recommendations of the internal audit team on improvements in the operating procedures and control systems are for further strengthening the operating procedures.

Related party transactions

Policy on dealing with Related Party Transactions and Materiality, is available on the Company's website. As per the said Policy, all Related Party Transactions are pre-approved by the Audit Committee and Board as and when required. The same are also reviewed by the Audit Committee on a quarterly / annual basis. All contracts/arrangements/transactions entered into by the Company during the financial year 2015-16 with Related Parties were in the ordinary course of business and on arm's length basis. Also, there was no contract/arrangement/transaction with any of the Related Parties which could be considered material in accordance with the Companies Act, 2013, Rules framed thereunder and Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Related Party Transactions entered into by the Company during the financial year 2015-16 are provided in Note 30 to the Financial Statements.

Opportunity

With over 70% of the demand for medical devices being met through imports, the import bill will be significant for both growth trajectories - organic and inorganic growth of the medical devices industry in India. Apart from reducing the import bill, 'Make in India' has the potential to attract investments, generate revenue for the exchequer, earn foreign exchange earnings through increased exports and generate direct and indirect employment.

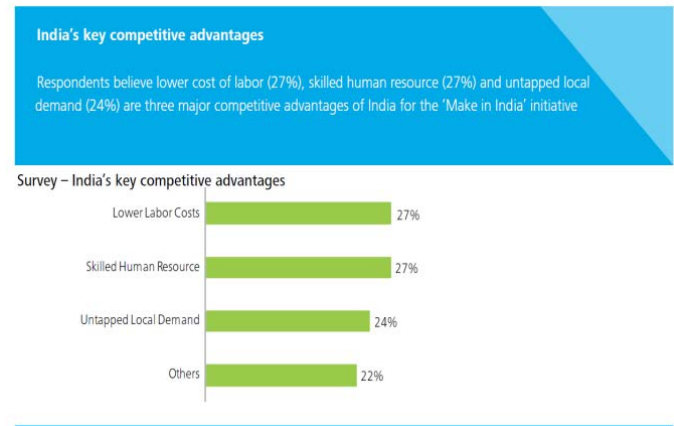
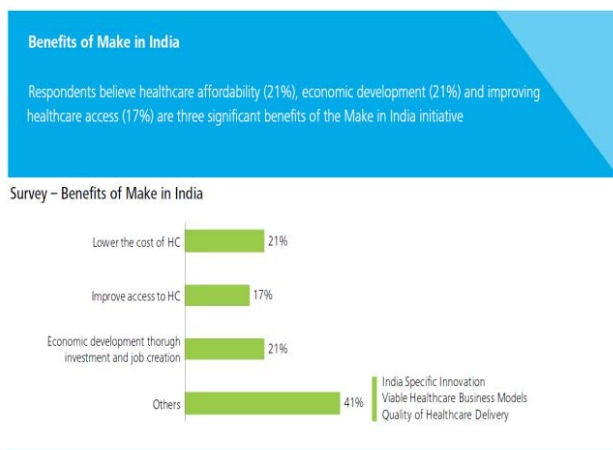
Potential impact of Make in India for Medical Devices:

- a. **Increased investments and revenue generation for the exchequer:** With medical devices opening up 100% FDI through automatic route, the sector is expected to attract further investments in the next decade
- b. **Foreign exchange earnings:** By 2025, according to industry estimates, the medical equipment devices segment is expected to generate forex earnings of approximately US\$ 10 billion.
- c. **Employment generation:** Medical Devices industry will create a multiplier effect on employment generation, along the lines of the overall healthcare sector. "For every addition of bed to hospital bed capacity in India, it is estimated that 25-30 direct/indirect employment opportunities are created"

d. **Government as a policy maker for macro-economic environment for Make in India Initiative:** The Government's role as a policymaker for the macroeconomic environment supporting the Make in India initiative would have a significant impact on the initiative for the medical devices industry. While there are dimensions specific to the medical devices/healthcare industry the broader aspects relating to manufacturing in India are industry agnostic and need to be addressed.

e. **Health Insurance:** Cover diagnostics and screening products outside the IPD settings (including home care etc.) – wider coverage to increase demand: Health insurance coverage in India typically does not include OPD settings. Coverage for screening, diagnostics and monitoring products outside the IPD setting would increase demand for medical devices and also promote prevention and early detection. Health insurance players need to explore possibilities of covering such diagnostics and home care devices, including wearable medical devices, integrated mHealth based devices etc.

As the penetration of insurance grows, insurance companies can bring in quality of medical devices under the reimbursement net. Indigenously manufactured devices can be provided a higher level of reimbursement under both private and Government insurance programs, thus encouraging local production



(Source: Deloitte report on Medical Devices in India)

Human Resources

Our employees contribute significantly to our business operations. As of March 31, 2016, our Company had 1,594 employees, including over 150 engineers.

Human Resources is a business field focused on maximizing employees productivity. We manage the human capital of the organization and focus on implementing policies and processes. We are focusing on recruiting, training, employee relations or benefits. Through Training and development, we ensure that employees are trained and have continuous development. This is done through training programs, performance evaluations and reward programs. Due to changes in business, in the current global work environment, businesses are moving globally and forming more diverse teams. It is the role of human resources to make sure that these teams can function and people are able to communicate cross culturally and across borders.

We also take care of health of our people and conduct regular health check-up programme for the employees. We conduct fun at work place activities, celebrate the different events among the employees to keep them happy, engaged and motivated to have a feeling of friendly environment. We also provide good remuneration and benefits to our employees to attract the best talent and retain them.

We also take care of the society as well and we have taken many initiatives to provide the basic amenities and to improve the infrastructure of the schools in the area.

Insurance

We maintain insurance policies with reputed independent insurers in relation to our business and operations and our assets such as our buildings, equipment and inventories. Our principal types of insurance coverage include directors and officers insurance, product liability insurance to cover risks arising from injuries or damages caused by our products, standard fire and special perils insurance for our plants and machineries and buildings at our manufacturing facilities to cover risks such as fire and other ancillary perils and marine cargo policy to cover various risks during the transit of goods anywhere in the country or overseas.

We also maintain group personal accident insurance and group mediclaim policy for our employees. Our operations are subject to hazards inherent in our industry and other force majeure events. Although we believe that the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

Our Strengths

Over the past 19 years, we have built strong relationships with clients, local and international agencies and institutions. Today, the company has gained a good international recognition. One of the biggest strengths of our Company is that our engineers are able to constantly improve and innovate with close feedback from the stakeholders. We constantly develop and improve existing products and technologies.

We have a diversified product portfolio with over 100 varieties of disposable medical devices in product verticals of infusion therapy, central venous access catheters, anesthesia, blood management and blood collection, urology, surgery and wound drainage, gastroenterology and dialysis and certain veterinary disposable devices. Infusion therapy is our key product vertical, which contributed to approximately 67% of our net revenue from operations in fiscal 2016. We have also developed a number of safety medical devices across product lines. With our existing product offering of safety medical devices in various product lines and our increasing focus on developing such products in the future, we believe we are well-positioned to benefit from increasing private and

public investment in healthcare and growing demand for quality healthcare.

We believe that our focus on innovation, safety and quality, product range and competitive pricing have enabled us to develop strong brand recognition in the Indian and international markets.

Experienced management team and skilled employee base

The Company's biggest asset is its committed, well trained and technically competent manpower. Knowledge and Skill are being enhanced by imparting regular trainings for improving process consistency in quality of the products, Quality Circles ,FMEA, Kaizen ,Poka Yoke techniques etc. The core team is highly qualified, experienced and motivated which provides guidance and support to employees in different facilities.

The company is committed to offering highest quality product to the Medical fraternity and selling its product in more than 90+ countries. The Company strives hard to establish new standards with new products and win new customers around the world with professionalism, reputation and high Quality Standards.

Our business operations are led by an experienced and qualified management team. Our Promoter Directors, Mr. Himanshu Baid and Mr. Rishi Baid are qualified engineers and have over 20 years of experience in the business. Our senior management team has extensive experience in the medical devices manufacturing industry, including in operations, quality assurance and human resource management.

Our Strategies

Through our new investment of approximately ₹ 60 crore in the green field project at IMT Faridabad in Haryana, which is scheduled to be commissioned in third quarter of 2017 with all statutory approvals, we will significantly broaden our existing manufacturing facilities to tap on new market opportunities. This will enhance our journey to capitalize on the growth opportunities in the medical devices sector and also to expand our product offerings by introducing a slew of new products.

Research & Development initiatives: To Undertake innovation or India based innovation in combination with indigenous manufacturing: the development of India based product innovations that can be manufactured locally could create attractive solutions for both India and other emerging markets.

Our new Research and Development center, with an investment of approximately ₹ 12.5 crore will be operational by Q3 of fiscal 2016. This will further enhance and strengthen our focus on research and developments and the strategy on improving existing processes and productivity and developing processes for environment friendly and user-friendly products which will strengthen our existing product portfolio.

The company through its innovative manufacturing and R&D efforts will launch 8-10 new products in the coming financial year.

Our strategy for the domestic market includes vast product awareness and training campaigns by our existing 225+ sales team by conducting medical education programs in key hospitals in the Country.

International market strategy includes: Increasing the basket of products with existing customers, Organizing Training Program for Global Distributors, Participation in various conferences and exhibitions, appointment of representatives in key markets.

With the implementations of SAP based ERP solution some of the key benefits includes:

- Reduction in sales order processing costs.
- Reduced time to calculate selling price.
- Increased Cash Flow (one-time event).
 - a. Savings result due to access to real-time transaction information by all authorized users (visibility),
 - b. Reduced request-to-quote time.
 - c. Reduced order-to-delivery time.
 - d. Reduced delivery-to-invoice time.
- Reducing the number of days sales outstanding (DSO) by freeing-up capital (i.e., reduced working capital; free cash flow).
 - a. Reduce the amount of borrowed funds required.
 - b. Increase investment potential.
 - c. Reduction (of DSO) achieved through faster order-to-cash time.
 - d. Accurate & timely information leads to reduced reconciliation's and better management of the billing process leading to quicker payment and a reduction in accounts receivable (DSO), number of disputes per order.

Increased revenues due to less stock outages (reduction in lost sales).

- a. Reduced loss of revenue due to items being out-of-stock.
- b. Fewer stock outages occur because there are more reliable materials buying processes/procedures in place.
- c. Increases customer satisfaction due to the higher availability of products.

- Reduction in distribution costs.

We believe that enhancing our manufacturing capabilities and further diversifying our product portfolio will enable us to capitalize on expected growth opportunities in this sector and increase our market share in the domestic and international markets.

We intend to continue our initiatives on Innovation & greater manufacturing excellence create better awareness of products, pass benefits of cost savings to stakeholders community including patients.

Competition

The Competition amongst various stakeholders in the Disposable medical devices industry is increasing day by day. Now the device makers have to find new ways to maintain their competitiveness like the automotive, consumer electronic and tele-communications sectors. They are paying attention to the detailed design of their product ranges, looking for opportunities to eliminate excess cost and to gain the flexibility to sell profitable products. We are continuously improving our production strategies to manage the increasing complex technologies and tough quality and regulatory challenges effectively.

Cautionary Statement

Statements in the management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations and futuristic in nature. Actual performance may differ materially from those either expressed or implied. Such statements represent intentions of the management and the efforts put into realise certain goals. The success in realising these depends on various factors both internal and external. Investors, therefore, are requested to make their own independent judgments before taking any investment decisions.

Annexure-9

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

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. Installed energy efficient Chillers to reduce energy consumption.
- iii. Replacement of inefficient old model water pumps with energy saving IE-III technology pumps.
- iv. Replacement of old inefficient AHU (Air handling unit) blower motor with energy efficient fans

- v. Synchronization of DG panel for optimization of DG sets to reduce diesel costs.

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

		(₹ in lacs)	
	Particulars	2015-16	2014-15
(a)	Foreign Exchange Used	13,345.58	14,069.80
(b)	Foreign Exchange Earned	26,415.86	28,133.58

FORM-A

Form for disclosure of particulars with respect to conservation of energy

	PARTICULARS	31.03.2016	31.03.2015
A.	POWER AND FUEL CONSUMPTION		
	1. Electricity:		
	a) Purchased Unit (Kwh)	15,766,994	15,308,033
	Total Amount (₹ in lac)	1,251.99	1,110.26
	Rate/Unit (₹)	7.94	7.25
	b) Own Generation:		
	i) Through Diesel Generator		
	Units Generated (Kwh)	1,188,396	750,533
	Units per liter of Diesel Oil	3.46	3.25
	Cost per unit (₹)	14.43	17.39
	ii) Through furnace Oil Generator		
	Units Generated (Kwh)	-	-
	Units per liter of Diesel Oil	-	-
	Cost per unit (₹)	-	-
	iii) Through 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)	343,697	230,890
	Total Cost (₹ in lac)	171.47	130.53
	Average Rate (₹/K. Ltrs)	49,890	56,535
	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 (Nos. in lac)	4,109.46	4,070.74
	Electricity (Kwh) per Lac Nos.	4,125.94	3,944.88
	Furnace Oil (Ltrs.)	-	-
	Coal	-	-
	Others	-	-

FORM-B

Research and 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:

- Development of new designs, processes and products
- Development of new techniques in process improvements
- Carrying out ongoing Research
- Development of lighter parts and to reduce cycle time of molds to make the products cost effective
- Development of complex designs of components
- Quality up gradation of existing devices
- Optimization of products and processes to minimize waste generation and to reduce environment and safety concerns
- Development of new analytical methods
- Development new design and products based on customer/market requirements
- Import substitution and identification of new raw materials for devices

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

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 for better productivity, yield and quality
- Reduction of cycle time in manufacturing process and material consumption
- Filings of Patents for Protection of Intellectual Property
- Achieving competitive prices and product quality
- Improving Productivity and Process efficiencies
- Significant quality improvement in existing products
- Enhanced Global presence/visibility

3. Future plan of action

In order to address the needs of the customers and in view of the changing market scenario, the Company will continue to strengthen its technical skills of its personnel. Some of the future plans are as follows:

- Expansion of existing R&D at new Plots no. 80-81, Setor-59, Faridabad

- Commercialization of new products for which the products are under trials / development stage. Several new products have been identified after the market
- Strengthening the Research Infrastructure and capabilities
- Development of cost effective and environment friendly processes
- Augmenting R&D capabilities through technological innovation, use of modern scientific and technological techniques, training and development
- Explore new area of technology for providing low cost Devices to customers, and
- Enhance National and International Research networking and strategic alliances.

	Expenditure on Research & Development	Year Ended 31.03.2016	(₹in Lacs) Year Ended 31.03.2015
(a)	Capital	48.01	58.18
(b)	Revenue	871.13	846.66
	Total	919.14	904.84
	Total Research and Development Expenditure as percentage of total turnover.	2.30%	2.39%

i. Technology Absorption, Adaption and Innovation
 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 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.

ii. Benefits derived as results of the above efforts:

The Company has developed several new Products during the year and has made efforts in process optimization, led to cost reduction / cost competitive. Batch sizes and cycle times were optimized for better efficiency and for overall improved productivity.

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

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.	

REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 27 of SEBI (LODR) Regulations, 2015 and some of the best practices followed on Corporate Governance, the Report covering the details of Corporate Governance systems and procedures at Poly Medicure 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 Medicure 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 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.

1. Company's Philosophy on Code of Governance

Corporate Governance deals with the complex set of relationships between the Company and its Board of

Directors, management, shareholders, and other stakeholders. Your Company believes that changes are inevitable in the corporate world, whether relating to laws, rules, regulations, standards, procedures, public disclosures, thereby constantly posing challenges for the corporate to meet with the highest set of standards of business ethics and fair play. We have strived to introduce a high level of professionalism in carrying out the business with a strong belief that the organization exists to serve the customer in a manner that can yield the best possible return to a shareholder.

Corporate Governance encompasses good practices, adherence to laws, procedures, standards and implicit rules that enable the management to take wise and sound decisions, whose results will have an impact not only on its shareholders, creditors, associates, employees and the government but society at large. Corporate Governance practice enables every stakeholder to have access to fullest information about the Company and its functioning thereby achieving stakeholder's satisfaction.

Training of Board Members

All new non-executive directors inducted to the Board are introduced to the Company's Culture through orientation sessions. Current executive directors and senior management provide an overview of the operations of the Company and familiarise the new non-executive directors with them.

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:

Policy on Related Party Transactions: The Board of the Company has framed a Policy on Related Party Transactions; all related party transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

Vigil Mechanism/ Whistle-Blower Policy: The Board of the Company has framed a Vigil Mechanism/ Whistle-Blower Policy. The Vigil Mechanism guides the Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain

these standards, the Company encourages its employees who have genuine concerns about suspected and/or actual misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

2. The Board of Directors (BOARD)

Composition of the Board of Directors

As on March 31, 2016, the Company has eight Directors of which, six are Non-executive Directors including four Independent Directors. The Board has one Women Director. The Composition of the Board is in the conformity with Regulation 17(1) of SEBI (LODR) Regulations, 2015. None of the Directors on the Board is Member of more than ten committees or Chairman of more than five committees across all the companies as on March 31, 2016 for which confirmations have been obtained from the Directors. Chairmanships/Memberships of the Board committees include only Audit Committee and Stakeholders' Relationship Committee.

Mr. Devendra Raj Mehta

Mr. Devendra Raj Mehta, aged 79 years, is Chairman and a non-executive, Independent Director of our Company. He holds a bachelor's degree in economics and law and is a retired officer of the Indian Administrative Services. Further, he is an alumnus of Alfort Sloan School of Management, Massachusetts Institute of Technology, Boston, USA and the Royal Institute of Public Administration, London, United Kingdom. He has over 45 years of experience in civil services. Prior to joining the Board of the Company, he has held positions including, chairman of SEBI, deputy governor of RBI and Director General of Foreign Trade, Government of India and has held various positions with the Government of Rajasthan and the Government of India. He has been on the Board since May 26, 2005.

Mr. Jugal Kishore Baid

Mr. Jugal Kishore Baid, aged 74 years, is a non-executive Director of the Company. He holds a bachelor's degree in Science (Mechanical Engineering) from Birla Institute of Technology, Mesra, Ranchi. He has over 47 years of experience in engineering and has undertaken various industrial training programmes with engineering companies. Prior to joining the Board, he was associated with Hyderabad Allwyn Metal Works and Jai Polypan Private Limited. He was involved in setting up the rotational molding technology in Rajasthan for the manufacture of multi layered and foam filled water

storage containers under the brand name "Polypan". He has been associated with our Company since incorporation.

Ms. Mukulika Baid

Ms. Mukulika Baid, aged 66 years, is a non-executive Director of the Company. She holds a bachelor's degree in arts from Jodhpur National University. She has 16 years of experience in management and marketing. Prior to joining the Board she has been associated with Stillocraft and Polycure Martech Limited and is associated with several non-profit organisations. She has been on the Board since July 30, 2014.

Mr. Yeshwant Singh Choudhary

Mr. Yeshwant Singh Choudhary, aged 73 years, is a non-executive, Independent Director of the Company. He holds a master's degree in engineering in the electronics from Birla Institute of Technology and Science, Pilani, Rajasthan, India. He has over 46 years experience in project planning and implementation and financial management. He has been a Director on the Board since February 17, 1997.

Mr. Prakash Chand Surana

Mr. Prakash Chand Surana, aged 69 years, is a non-executive, Independent Director of the Company. He is a qualified chartered accountant and is a member of the Institute of Chartered Accountants of India. He has over 41 years of experience in the field of taxation and corporate laws. He has been on the Board of the Company since September 22, 1997.

Dr. Shailendra Raj Mehta

Dr. Shailendra Raj Mehta, aged 57 years is a non-executive, Independent Director of the Company. He holds a bachelor's degree and a master's degree in arts from Delhi University, an M.Phil. from Balliol College Oxford and a doctorate of philosophy in economics from Harvard University. He has 26 years of experience in the field of management and economics. His research on simulation resulted in the creation of Hi-tech Company that was granted a patent in the United States. He was responsible for setting up a collaboration between Indian Institute of Management, Ahmedabad and Duke Corporate Education and was a professor of economics and strategy at Purdue University. He is currently the vice chancellor of Ahmedabad University. He has been on the Board of the Company since May 28, 2012.

Mr. Himanshu Baid

Mr. Himanshu Baid, aged 48 years, is the Managing Director of the Company. He holds a bachelor's degree in engineering (electronics and communication) from Karnatak University, Dharwad, India. He has over 19 years of experience in manufacture of disposable medical devices. He has been associated with the Company since incorporation.

Mr. Rishi Baid

Mr. Rishi Baid, aged 44 years, is an Executive Director of the Company. He holds a bachelor of science degree in mechanical engineering and a master's degree of science in mechanical engineering from West Virginia University, USA. He has over 19 years of experience in manufacture of

disposable medical devices. He has been associated with the Company since incorporation.

Number of Board Meetings

During the financial year ending 31st March 2016, the Board of Directors met Six times on 4th May, 2015, 31st July, 2015, 27th October, 2015, 6th January, 2016, 4th February, 2016 and 10th March, 2016. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. 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, 2016
Shri D.R. Mehta (DIN: 01067895)	Non Executive Independent Director	6/6	Yes	9	6	4	NIL
Dr. S.R. Mohnot # (DIN: 00006889)	Non-Executive Independent Director	2/6	Yes	6	4	5	48,000
Shri J.K. Baid (DIN: 00077347)	Non-Executive Director	6/6	Yes	1	1	-	11,39,688
Shri P.C. Surana (DIN: 00361485)	Non-Executive Independent Director	6/6	Yes	3	-	2	10,920
Shri Y.S. Choudhary (DIN: 00006906)	Non-Executive Independent Director	5/6	Yes	-	1	-	4,000
Dr. S.R. Mehta (DIN: 02132246)	Non-Executive Independent Director	5/6	Yes	2	2	-	NIL
Shri Himanshu Baid (DIN: 00014008)	Managing Director	6/6	Yes	7	1	1	40,37,312
Shri Rishi Baid (DIN: 00048585)	Executive Director	5/6	Yes	4	1	-	49,13,024
Smt. Mukulika Baid	Non-Executive Director	6/6	Yes	-	-	-	15,31,200

*Chairmanship/Membership of Audit Committee and Shareholders' Grievance Committee in Public Companies including Poly Medicure Limited has been considered.

Video/Tele-conferencing facilities are used to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings.

Dr. S. R. Mohnot ceased to be Director w.e.f 4th October, 2015 due to his sad demise.

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 definition of "Independence of Directors" is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on the evaluation of the relationships disclosed, all the independent Directors are qualified as Independent Directors under Section 149(6) of the Companies Act, 2013.

Scheduling and Selection of Agenda Items for Board Meetings

The Board is given presentations covering Finance, Sales, Marketing, the Company's major operations, overview of business operations of 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 information regularly furnished to the Board of Directors include amongst others the following:

1. Annual Operating plans and budgets and updates.
2. Quarterly results and performance of various units/divisions, subsidiaries and joint venture companies.
3. Minutes of the meeting of all the committees.
4. Minutes of Meetings of the Board of the subsidiaries
5. Materially important litigations, show cause, demand, prosecution and penalty notices.
6. Details of Joint Ventures, acquisition of companies or Collaboration Agreement.
7. Developments on Human Resource of the Company.

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.

3. Committees of the Board

The Board of Director's have constituted Board Committees to deal with specific areas and activities which concerns the Company and requires a closer view. The Board Committees are formed with approval of the Board. The Committees play an important role in the overall management of day-to-day affairs and governance of the Company.

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

i. The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 177 of the Act.

ii. The terms of reference of the audit committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the 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 clause (c) of sub-section 3 of section 134 of the Act
 - 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 any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - 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 utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - Review and monitor the auditors' independence and performance, and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the Company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the Company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - Discussion with internal auditors of any significant findings and follow up there on;
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - 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;
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
 - To review the functioning of whistle blower mechanism.
 - Approval of appointment of CFO;
 - The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
 - Carrying out any other function as is mentioned in the terms of reference of the audit committee;
 - Oversee financial reporting controls and process for material subsidiaries;
 - Oversee compliance with legal and regulatory requirements including the Polymed Code of Conduct ("PCoC") for the company and its material subsidiaries;
 - To mandatorily review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee),
 - submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the chief internal auditor.
- iii. The Audit Committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.
- iv. The previous annual general meeting (AGM) of the Company was held on September 28, 2015 and was

attended by Dr. Sohan Raj Mohnot, Chairman of the Audit Committee.

v. The composition of the audit committee and the details of meetings attended by its members are given below:

Name of the Member	Category/Position	No. of Meetings attended / held	Sitting Fees (₹)
Dr. S.R. Mohnot*	Independent Director/Chairman	2/4	45,000
Shri Y.S. Choudhary	Independent Director	3/4	75,000
Shri P.C. Surana	Independent Director	4/4	95,000
Dr. Shailendra Raj Mehta	Independent Director	3/4	75,000

* Dr. S. R. Mohnot ceased to be Director w.e.f 4th October, 2015 due to his sad demise.

Note: Shri P.C. Surana has been appointed as the Chairman of the Audit Committee after the sad demise of Dr. S.R. Mohnot.

Four audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

May 4, 2015; July 31, 2015; October 27, 2015 and February 4, 2016

The necessary quorum was present for all the meetings.

Nomination & Remuneration Committee

Composition of the Committee

The Company had a Nomination and Remuneration Committee of directors. The Committee's constitution and terms of reference are in compliance with the provisions of the Act and Regulation 19 and 20 of SEBI (LODR) Regulations, 2015. The Committee comprises of 3 (three) members of the Board, the details of the member are as follows:

Name of the Member	Category/Position
Shri Y.S. Choudhary	Independent Director
Shri. D. R. Mehta	Independent Director/Chairman
Shri P.C. Surana	Independent Director

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.

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 and Commission for attending each meeting of Board of Directors and Committee Meeting thereof. Each Non-Executive Directors was paid a sum of ₹ 20,000/- by way of sitting fee for attending each meeting of the Board of Directors and Committees thereof.

Details of the sitting fees, commission and salary paid to all the Directors for the year ended on 31 March, 2016 are given hereunder:

Name of the Member	Salary	Commission	Sitting Fees	(In ₹ lacs)
				Total
Shri D.R. Mehta	-	7.50	2.95	10.45
Dr. S.R. Mohnot	-	-	1.65	1.65
Shri J.K. Baid	-	7.50	2.95	10.45
Smt. Mukulika Baid	-	7.50	2.70	10.20
Shri Y.S. Choudhary	-	7.50	3.25	10.75
Shri P.C. Surana	-	7.50	3.90	11.40
Shri S.R. Mehta	-	7.50	2.95	10.45
Shri Himanshu Baid	136.12*	205.00	-	341.12
Shri Rishi Baid	129.00*	205.00	-	334.00

*Includes allowances, perquisites, retirement benefits and contribution to Provident Fund.

INDEPENDENT DIRECTOR MEETING

During the year under review, the independent Directors met on May 4, 2015, inter alia to discuss:

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

Stakeholders Relationship Committee

Composition of Committee

The Company had a Shareholders / Investors Grievance Committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to Stakeholders' Relationship Committee in the light of

provisions of the Act and Regulation 19 and 20 of SEBI (LODR) Regulations, 2015.

Name of the Member	Category/Position	No. of Meetings attended / held	Sitting Fees (₹)
Dr. Sohan Raj Mohnot	Independent Director/Chairman	1/1	25,000
Shri Prakash Chand Surana	Independent Director/Member	1/1	25,000
Shri Himanshu Baid	Managing Director/Member	1/1	Nil

During the year, under review, a meeting of Stakeholders Relationship Committee was held on the 31st July, 2015.

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.

Details of Investor Complaints received and redressed during the year 2015-16 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

No complaint was outstanding as on 31 March, 2016.

Corporate Social Responsibility Committee
Composition of Committee

The Company has a Corporate Social Responsibility Committee of directors to look into its CSR Activities, which strives to create value in the society and in the community in which it operates, through its services, conduct & initiatives so as to promote sustained growth for the society and community. Develop meaningful and effective strategies for engaging with all the stakeholders'. The committee was formed under the provisions of Section 135 the Companies Act, 2013.

Name of Members	Position	Attendance and Meetings held	Sitting Fees (₹)
Shri D.R. Mehta	Chairman	1/1	25,000
Shri Jugal Kishore Baid	Member	1/1	25,000
Shri Himanshu Baid	Member	1/1	-

During the year, under review, a meeting of Corporate Social Responsibility Committee was held on the 31st July, 2015.

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.

4. General Body Meetings

Annual General Meetings conducted during the last three years viz. FY 2012-13, FY 2013-14 and FY 2014-15 are as follows:

Meeting	Date and Time	Venue
18 th AGM	Friday, 27 September, 2013 at 10:00 a.m.	Bipin Chandra Pal Memorial Auditorium, A-81, Chittranjan Park, New Delhi-110019.
19 th AGM	Tuesday, 23 September, 2014 at 10.00 a.m	Bipin Chandra Pal Memorial Auditorium, A-81, Chittranjan Park, New Delhi-110019.

20 th AGM	Monday, 28 September, 2015 at 10:00 a.m.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi, 110016.
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Special Resolution passed in last three AGMs

18th AGM held on 27 September, 2013

- Granting of an Additional Option to the employees.

19th AGM held on 23 September, 2014

- To approve payment of Remuneration to non-executive Directors.
- To enter into a job work contract with M/s. Vitromed Healthcare, Jaipur, the partnership firm
- To enter into a contract for sale of goods and materials with M/s. Ultra for Medical Products, Egypt, the Joint Venture

20th AGM held on 28 September, 2015

- To approve ESOP Scheme 2015
- To approve for taking land and building on lease from M/s. Vitromed Healthcare, Jaipur.
- To approve for purchasing certain plant and machinery from M/s. Vitromed Healthcare, Jaipur.

Special Resolution passed in Extra-Ordinary General Meeting held during the year 2015-16 through Postal Ballot

10th June, 2015

- Approval for further Issue of securities.

5. Disclosures

a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business and was complied with provision of section 188 of the Companies act, 2013. Thus disclosure in form AOC-2 is also provided. Further there are no material related party transactions during the year under review with the promoters, Directors or Key Managerial personnel. The details of the Related Party transactions during the year are given in the notes forming part of the financial statements.

b) Details of non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

No penalty or stricture was imposed by the Stock Exchange or SEBI or any statutory authority during the last 3 (three) years, since all applicable requirements were fully complied with.

c) Whistle Bowler Policy/Vigil Mechanism

Pursuant to Section 177(9) and (10), of the Companies Act, 2013, and Regulation 22 of the Listing Regulation, the Company has formulated whistle Bowler policy for vigil Mechanism of Directors and employee to report to the management about the unethical behavior, fraud or violation of Company's code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit committee in exceptional cases. None of the personal of the company has been denied to the Audit Committee. The whistle bowler Policy is displayed on the Company's Website viz, <http://www.polymedicure.com>.

d) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the financial statements.

e) Risk Management

Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and Management' was carried out covering the entire gamut of business operations and the Board was informed of the same.

f) Management Discussion & Analysis Report

As required by the Listing Agreement and regulation 34(2)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Management Discussion & Analysis is provided separately in the Annual report

g) Code of Conduct and Corporate ethics

As a responsible corporate citizen, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies, which act as guiding principles for carrying business in ethical way.

Some of our policies are:

- Code of Conduct for Directors and Senior Management Personnel;
- Code of Conduct for Prevention of Insider Trading;
- Whistle Blower Policy

h) CEO/CFO Certification

The Compliance Certificate by CEO/CFO as required under Listing Agreement and Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is the same is annexed to the Corporate Governance Report in the Annual Report.

i) Disclosure of Compliance

Your Company has compiled with the requirements of the Listing Agreement and regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

j) Details of Compliance with Mandatory Requirements and adoption of the Non Mandatory Requirements

The Company has disclose and complied with all the mandatory requirements under the Listing Agreement and SEBI (Listing Obligation and disclosure requirements) Regulations, 2015. The details of these compliances have been given in the relevant section of these report.

k) Non Compliance of Regulations relating to Corporate Governance under SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015.

The Company is fully Compliant with all the regulations and there is no such Non-Compliance.

6. Means of Communication

In accordance with Regulation 46 of SEBI (LODR) Regulations, 2015, 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 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 material information, which in its opinion are material and/or have a bearing on its performance/operations, for the information of public at large.

7. General Shareholders Information:

Annual General Meeting Day, Date and Time & Venue	Tuesday, 27th Day of September, 2016 at 10 a.m. at Alpha Hall, 2nd Floor NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi- 110016
CIN No.	L40300DL1995PLC066923
Financial Year	1 April, 2015 to 31 March, 2016
Date of Book Closure	21 st September, 2016 to 27 th September, 2016 (both days inclusive)
Listing of Equity Shares on Stock Exchange(s)	Bombay Stock Exchange Limited (BSE):- Phirozee 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: POLMED, 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 INE205C01021.
Plant Locations	Unit-I Plot No. 104-105, Sector-59, HSIIDC Industrial Area, Ballabhgarh, Faridabad-121004 (Haryana) India.
	Unit-II (100% EOU) Plot No. 115-116, Sector-59, HSIIDC Industrial Area, Ballabhgarh, Faridabad-121004 (Haryana) India.
	Unit III Plot No. 17, Sector-3, I.I.E SIDCUL Haridwar-249403, (Uttarakhand), India
	Unit IV (SEZ) Plot No. PA-010, P.O., Mahindra World City (Jaipur) Ltd., SEZ, Tehsil, Sanganer, Jaipur-302037 (Rajasthan), India.
Address for Shareholders' correspondence	Registrar and Transfer Agent 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
	Registered Office of the Company The Company Secretary M/s Poly Medicure Limited 232-B, III rd Floor, Okhla Industrial Estate Phase-III, New Delhi-110020 Phone No. 011-26321838 Fax No. 011-26321894 Email: investorcare@polymedicure.com Website: http://www.polymedicure.com

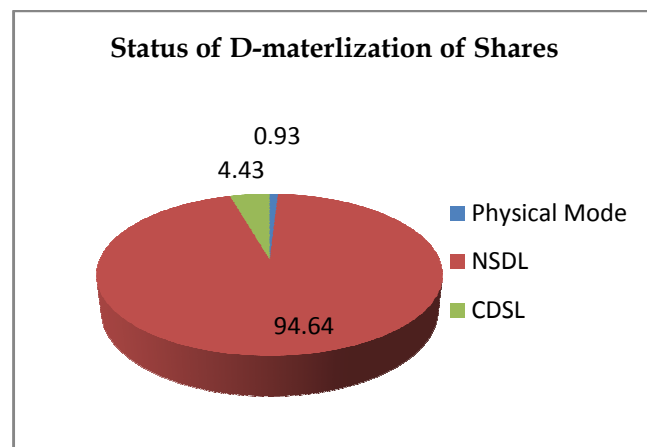
Physical Share Transfer System

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, 2016 are as under:

Mode	No. of Shares	%age (Percentage)
Physical Mode	4,08,804	0.93
NSDL	4,17,48,514	94.64
CDSL	19,56,122	4.43
Total	4,41,13,440	100.00



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

PhirozeJeejeebhoy Towers, 17th Floor, Dalal Street, Fort, Mumbai-400001, Telephone 91-22-22723333,
 E-mail: investor@cdslindia.com,
 Website: www.cdslindia.com.

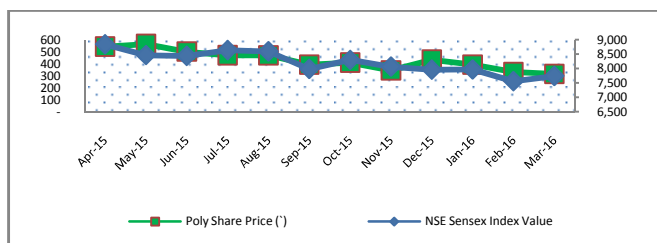
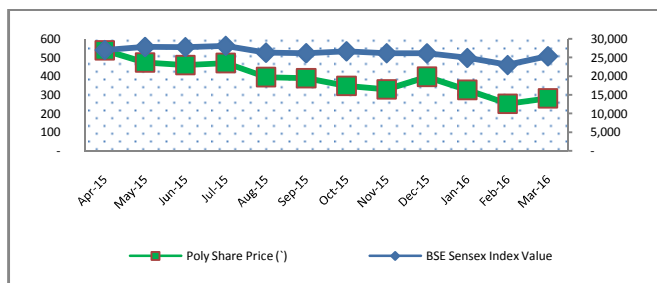
Listed on Stock Exchange(s)

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-15	568.00	500.25	556.05	532.10
May-15	586.00	471.00	570.00	540.05
Jun-15	507.00	450.00	502.95	495.25
Jul-15	477.40	421.00	477.00	462.20
Aug-15	475.00	390.40	475.00	446.25
Sep-15	399.50	357.70	392.50	377.20
Oct-15	413.00	305.00	412.00	399.00
Nov-15	355.00	310.00	349.90	316.85
Dec-15	444.00	319.00	436.00	409.00
Jan-16	401.90	314.60	395.00	383.00
Feb-16	331.90	238.00	335.95	324.95
Mar-16	316.50	252.00	318.80	305.00

(Source: This information is compiled from the data available from the websites of BSE and NSE)



Distribution of Shareholding of Poly Medicure Limited as on 31st March, 2016

Nominal value of each Share ₹ 5 each.

No of share holders	% to Total	Shareholding of nominal value of (in ₹)	No of Shares	% to Total
3718	88.57	1 to 5000	482834	1.10
148	3.53	5001 to 10000	228816	0.52
134	3.19	10001 to 20000	427563	0.97
42	1.00	20001 to 30000	210203	0.48
30	0.71	30001 to 40000	222788	0.50
18	0.43	40001 to 50000	167194	0.38
34	0.81	50001 to 100000	491796	1.11
74	1.76	100001 and above	41882246	94.94
4,198	100.00	Total	44113440	100.00

Particulars	No.	No. of shares	% age
(A) Shareholding of Promoter and Promoter group			
1. Indian	17	2,13,97,276	48.50
2. Foreign	2	1,13,600	0.26
Total Shareholdings of Promoter and Promoter Group	19	2,15,10,876	48.76
(B) Public Shareholding			
1. Institution	13	34,73,679	7.88
2. Non Institution	4,165	1,91,28,885	43.37
Total Public Shareholding	4,178	2,26,02,564	51.24
(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)	4,197	4,41,13,440	100

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, 2015, 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.

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 Regulation 17 of SEBI (LODR) Regulations, 2015. 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 Regulation 33(2) of SEBI (LODR) Regulations, 2015. 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.

As provided under regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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, 2015 to 31st March, 2016. The declaration received from Shri Himanshu Baid, Managing Director, in this regard is also given in this report.

New Delhi
 8th August, 2016

D. R. Mehta
 Chairman

Himanshu Baid
 Managing Director

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

To
 The Board of Directors
 Poly Medicure Limited

1. We have reviewed the financial statements and the cash flow statement of Poly Medicure Limited for the year ended 31st March, 2016 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 ended 31st March, 2016, 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 systems pertaining to financial reporting. We have not come 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 that the same has been disclosed in the notes to the financial statements; and
 - (iii) that there are no instances of significant fraud of which we have become aware involving management or any employee having a significant role in the Company's internal control system.

New Delhi
 8th August, 2016

Himanshu Baid
 Managing Director

J. K. Oswal
 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
 8th August, 2016

Himanshu Baid
 CEO/Managing Director

Certificate on Corporate Governance

effectiveness with which the Management has conducted the affairs of the Company.

To the members of the Poly Medicure Limited

1. We have examined the compliance of conditions of Corporate Governance by POLY MEDICURE LIMITED ("the Company"), for the year ended on 31st March, 2016, as stipulated in:

New Delhi
8th August, 2016

For B.K Sethi & Co.
B.K. Sethi
Proprietor
FCS-853/CP-913

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from 1st April, 2015 to 30th November, 2015.
- Clause 49(VII) (E) of the Listing Agreements of the Company with the stock exchange(s) for the period from 1st April, 2015 to 1st September, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from 2nd September, 2015 to 31st March, 2016 and
- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring 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.

3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2016.

4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or

Independent Auditor's Report

To the Members of Poly Medicure Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of

the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the

Investor Education and Protection Fund by the Company.

For **DOOGAR & ASSOCIATES**

Chartered Accountants

Firm's Reg No. 000561N

M. S. Agarwal

Partner

Place of Signature: New Delhi

Date: 13th May 2016

M. No. 86580

ANNEXURE "A" TO THE AUDITORS' REPORT

The Annexure referred to in independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- 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 programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company other than one leasehold land acquired from HSIIDC having gross block of '897.75 Lacs for which conveyance/title deed in favour of the Company is pending to be executed.
- ii. According to the information and explanation given to us and on the basis of our examination of the records of the company, physical verification of the inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in

- nature have been properly dealt with in the books of accounts.
- iii. The Company has/had granted loan to one body corporate being wholly owned subsidiary company covered in the registered maintained under section 189 of the Companies Act, 2013 ('The Act').
- (a) In our opinion, other terms and conditions on which the loans has/had been granted to the body corporate listed in the registered maintained under section 189 of the Act were not, prima facie, pre judicial to the interest of the Company, however, rate of interest charged on loan granted is lower than the prevailing yield of government security closer to the tenure of loan/borrowing cost of the company, which in our opinion is prejudicial to the interest of the company.
- (b) In the case of loans granted to the body corporate listed in registered maintained under section 189 of the Act, the borrower have been regular in the payment of the principal and interest as stipulated.
- (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the registered maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained, however, we have not made a detailed examination of such cost records.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2016, for a period of more than six months from the date they become payable. (b) According to the information and explanations given to us, there are no material dues of income tax, or sales tax, or service tax, or duty of customs, or duty of excise, or value added tax, or cess which have not been deposited with the appropriate authorities on account of any dispute except following:

Nature of Statue	Nature of dues	Amount (₹ in Lacs)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	55.85	2007-08 to 2011-12	CESTAT, New Delhi

- viii. The Company has not defaulted in the repayment of loan or borrowing to our financial institution or bank, government. There are no debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, term loans raise during the year were applied for the purpose for which those were raised.
- x. According to the information and explanations given to us no material fraud by the company or

- on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
 - xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the order is not applicable.
 - xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such transaction have been disclosed in the financial statements as required by the accounting standards.
 - xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
 - xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
 - xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DOOGAR & ASSOCIATES**
Chartered Accountants
Firm's Reg No. 000561N
M. S. Agarwal

Place of Signature: New Delhi Partner
Date: 13th May, 2016 M. No. 86580

Annexure - B to the Auditor's Report

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

We have audited the internal financial control over financial reporting of Poly Medicure Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential component of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the companies act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit with the guidance note on audit of internal financial controls over financial reporting ("the guidance note") and the standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute

of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation to financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For **DOOGAR & ASSOCIATES**

Chartered Accountants

Firm's Reg No. 000561N

M. S. Agarwal

Place of Signature: New Delhi

Partner

Date: 13th May, 2016

M. No. 86580

Poly Medicure Limited
Balance Sheet as at 31 March 2016

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2016		As at 31 March 2015	
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	2,205.67		2,205.76	
(b) Reserves and surplus	2	20,177.89	22,383.56	16,991.29	19,196.96
2 Non-current liabilities					
(a) Long-term borrowings	3	3,106.28		4,024.56	
(b) Deferred tax liabilities (Net)	4	1,183.37		1,028.48	
(c) Other Long term liabilities	5	357.99		265.56	
(d) Long-term provisions	6	265.51	4,904.15	203.83	5,522.43
3 Current liabilities					
(a) Short-term borrowings	7	3,039.38		1,807.37	
(b) Trade payables	8				
Amount outstanding to Micro and Small Enterprises		35.01		43.94	
Amount outstanding other than to Micro and Small Enterprises		2,922.52		3,759.75	
(c) Other current liabilities	9	3,797.33		3,756.89	
(d) Short-term provisions	6	503.08	10,297.32	1,358.33	10,726.28
TOTAL			37,585.03		35,445.67
II ASSETS					
1 Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		17,053.12		15,585.59	
(ii) Intangible assets		671.88		480.37	
(iii) Tangible Capital work-in-progress		287.27		415.14	
(iv) Intangible assets under development		1,084.50		565.29	
(b) Non-current investments	11	561.06		561.06	
(c) Long-term loans and advances	12	1,290.91		2,373.38	
(d) Other non-current assets	13	336.47	21,285.21	334.72	20,315.55
2 Current assets					
(a) Inventories	14	4,058.25		5,387.30	
(b) Trade receivables	15	8,029.07		5,949.14	
(c) Cash and bank balances	16	2,147.87		1,983.38	
(d) Short-term loans and advances	12	1,283.06		1,054.89	
(e) Other current assets	13	781.56	16,299.82	755.41	15,130.12
TOTAL			37,585.03		35,445.67
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 : 13.05.2016

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

Avinash Chandra

Company Secretary

Poly Medicure Limited
Statement of Profit and Loss for the Year ended 31 March 2016

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
INCOME			
Revenue from operations (Gross)	17	40,015.44	37,847.82
Less: Excise Duty		(567.60)	(478.99)
Revenue from operations (Net)		39,447.84	37,368.83
Other income	18	838.50	822.14
Total Revenue (I)		40,286.34	38,190.07
EXPENDITURE			
Cost of raw materials including packing materials consumed	19	13,177.29	13,127.13
Purchases of Stock-in-Trade		676.13	652.53
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	200.25	(306.83)
Employee benefits expense	21	6,899.23	6,030.00
Research and development expenses	22	871.13	846.66
Other expenses	23	9,177.66	8,756.02
Total (II)		31,001.69	29,105.51
Earnings before Interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		9,284.65	9,085.46
Finance cost	24	778.24	822.65
Depreciation and amortization expenses	25	2,018.79	1,808.99
Profit before exceptional items and tax (III)		6,487.62	6,453.82
Exceptional Items (IV)		-	1,957.80
Profit before tax (V) (III + IV)		6,487.62	8,411.62
Tax expense:			
(1) Current tax		1,604.33	2,055.34
(2) Tax adjustment for earlier years (net)		(2.35)	2.35
(3) Deferred tax		154.89	252.21
Total tax expenses (VI)		1,756.87	2,309.90
Profit for the year (V - VI)		4,730.75	6,101.72
Earnings per equity share: (Face value ₹ 5 each) in rupees	31		
Basic		10.72	13.83
Diluted		10.72	13.83
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 : 13.05.2016

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

Avinash Chandra
Company Secretary

Poly Medicure Limited
Cash Flow Statement for the year ended 31 March 2016

(₹ in Lacs)

Particulars	Year ended	
	31 March 2016	31 March 2015
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	6,487.62	6,453.82
Adjusted for:		
Exceptional Items	-	1,957.80
Depreciation and amortisation	2,018.79	1,808.99
Interest expense	778.24	822.65
Interest income	(224.39)	(227.19)
Loss/(profit) on sale of fixed assets, net	(3.12)	(213.12)
Debts/advances written off	33.46	-
Provision for doubtful debts and advances	5.92	0.61
Credit balances no longer required, written back	(49.37)	(0.52)
Provision for Wealth tax	-	2.86
Deferred employee compensation expenses (net)	-	14.93
Unrealised foreign exchange (gain) /loss	(70.07)	(44.34)
Operating profit before working capital changes	8,977.08	10,576.49
Movement in working capital		
Decrease/ (increase) in sundry debtors	(2,119.00)	(1,388.94)
Decrease/(Increase) in loans and advances	(53.70)	(86.45)
Decrease/(increase) in inventories	1,329.05	(1,431.57)
Increase/ (decrease) in current liabilities and provisions	(536.96)	1,044.30
Cash generated from operations	7,596.47	8,713.83
Direct taxes paid (net of refunds)	(1,389.42)	(2,329.87)
Appropriation towards CSR expenditure	-	(56.24)
Net cash from operating activities	6,207.05	6,327.72
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(3,149.00)	(5,153.25)
Proceeds from / (Investment in) Fixed Deposits (net)	(78.41)	(948.27)
Proceeds from sale of fixed assets	8.03	359.41
Dividend and Interest income	194.01	91.34
Net cash used for investing activities	(3,025.37)	(5,650.77)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans (net of repayment)	383.90	964.92
Proceeds from ESOPs	-	5.46
Dividend and tax thereon Paid	(2,654.69)	(1,031.48)
Interest / Finance charges paid	(815.13)	(818.08)
Net cash from (used for) financing activities	(3,085.92)	(879.18)
Net increase in cash and cash equivalents (A+B+C)	95.76	(202.23)
Cash and cash equivalents at the beginning of the year	1,170.63	1,372.86
Cash and cash equivalents at the end of the year	1,266.39	1,170.63
Components of Cash and cash equivalent		
Balance with Banks	1,257.34	1,154.17
Cheques, drafts on hand	-	6.79
Cash on hand (including foreign currency notes)	9.05	9.67
Total	1,266.39	1,170.63

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 : 13.05.2016

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

Avinash Chandra
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

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 referred to in Section 133 of the Companies Act 2013 read with Rule 7 of Company (Accounts) Rules 2014, to the extent applicable.
- 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. 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 is charged on the basis of useful life of the fixed assets. The Company has adopted useful life of fixed assets as given in Part "C" of Schedule II of the Companies Act, 2013 in respect of all fixed assets.
- 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.

- 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
	As at
	31 March 2016
	31 March 2015
1 SHARE CAPITAL	
Authorised share Capital	
60,000,000 (Previous Year 60,000,000) Equity Shares of ₹ 5	
(Previous Year ₹ 5) each	
	3,000.00
Issued, subscribed & paid up shares	
44,113,440 (Previous Year 44,113,440) Equity Shares of ₹ 5	
(Previous Year ₹ 5) each fully paid up	
	2,205.67
Total	2,205.67

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

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	4,41,13,440	2,205.67	2,20,33,211	2,203.32
Add: Issued during the year by way of ESOS	-	-	23,509	2.35
Add: Addition on account of share split from ₹ 10 to ₹ 5	-	-	2,2056,720	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of year	4,41,13,440	2,205.67	4,41,13,440	2,205.67

1.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5/- (previous year ₹ 5/-). 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 2016, the amount of per share interim dividend declared and paid to equity share holders is ₹ 2.5 per equity share of ₹ 5 each (previous year interim dividend ₹ Nil)

During the year ended 31st March 2016, the amount of per share final dividend recognised as distribution to equity share holders is ₹ 0.50 per equity share of ₹ 5 each (Previous Year ₹ 2.50 per equity share of ₹ 5 each)

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 2016		As at 31 March 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Share of ₹ 5 each (previous Year ₹ 5 each)				
M/s Allegeny Finlease private Limited	61,76,261	14.00%	6,181,593	14.01%
Shri Rishi Baid	49,13,024	11.14%	4,913,024	11.14%
M/s BS Trade Invest Private Limited	41,29,414	9.36%	4,202,094	9.53%
Shri Himanshu Baid	40,37,312	9.15%	4,037,312	9.15%

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

(₹ in Lacs)

2 RESERVES AND SURPLUS

Capital Reserves

Surplus on re-issue of forfeited shares

Application money received on Preferential Warrants issued to promoters forfeited

**As at
31 March 2016**

**As at
31 March 2015**

13.19

13.19

33.79

33.79

46.98

46.98

Securities Premium Account

Balance at the beginning of the year

Add: Additions during the year

Closing Balance

83.60

23.98

-

59.62

83.60

83.60

Foreign Currency Monetary Translation Account

Balance at the beginning of the year

Add: Additions during the year (refer note no. 34)

Closing Balance

(49.69)

(128.06)

46.00

78.37

(3.69)

(49.69)

Employees Stock Option Outstanding Account (net of options lapsed)

Add: Additional options granted

Less: Transferred to Share premium Account on allotment of options

Less: Deferred Employee Compensation Expenses

Closing Balance

-

38.27

-

-

-

(38.27)

-

-

-

-

General Reserve

Balance at the beginning of the year

Add: Additions during the year

Closing Balance

8,756.90

6,756.90

2,000.00

2,000.00

10,756.90

8,756.90

Surplus in statement of Profit and Loss

Balance at the beginning of the year

Less: Adjustment in opening balance on adoption of Schedule II of the Companies Act, 2013 (Net Deferred Tax)

Less: Dividend /Dividend tax adjusted for previous year

Add: Additions during the year

Less: Interim Dividend and tax thereon

Less: Proposed Dividend

Less: Appropriation towards CSR spend

Less: Transferred to General Reserve

Closing Balance

8,144.85

5,473.01

-

(39.67)

6.26

(0.37)

4,730.74

6,101.72

(1327.35)

-

(265.47)

(1333.60)

-

(56.24)

(2,000.00)

(2,000.00)

9,289.03

8,144.85

Government Grants (Deferred Income Approach)

Capital Investment Subsidy

Balance at the beginning of the year

Add: Additions during the year

Less: Adjusted against depreciation (Refer Note no. 25)

Closing Balance

8.65

12.23

-

-

(3.58)

(3.58)

5.07

8.65

Grand Total

20,177.89

16,991.29

		(₹ in Lacs)			
3	<u>LONG TERM BORROWINGS</u>	Non-current portion		Current maturities	
		As at 31 March		As at 31 March	
		2016	2015	2016	2015
	Secured				
	(i) Term loans				
	from banks	3,081.38	3,718.09	1,650.54	1,468.37
	(ii) Others - Vehicle Loan				
	from banks	1.36	3.84	2.27	16.79
	From others	23.54	32.06	8.52	7.95
	(iii) Deferred payment liabilities	-	270.57	55.45	257.89
	(iv) Equipment Financing	-	-	77.63	-
	Amount disclosed under the head “other current liabilities” (note 9)	-	-	1,794.41	1,751.00
	Total	3,106.28	4,024.56	-	-
3.1	Term loan comprise of the following:				
	From Bank				
	Rupee Loan	1,279.72	1,501.46	462.50	586.50
	Foreign Currency Loan	1,801.66	2,216.63	1,188.04	881.87

3.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Installm ents	Outstanding as at 31 March 2016	Annual repayment schedule			
				2016-17	2017-18	2018-19	2019-20
Rupee Loan	10.63%	Qtr	1,742.22	462.50	750	479.72	50.00
Foreign Currency Loan	3.97%	Qtr	2,989.70	1,188.04	1243.34	457.82	100.50
Others - Vehicle Loan	10.08%	Monthly	35.69	10.79	10.79	10.40	3.71
Deferred Payment Liabilities	NA	2 in year	55.45	55.45	-	-	-
Equipment Financing	NA	4 in year	77.63	77.63	-	-	-

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.
- Equipment financing represents IT equipment financed under master financing agreement and is secured against the said equipment financed.

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:

		(₹ in Lacs)	
Component		As at 31 March 2016	As at 31 March 2015
Deferred Tax Liabilities:			
(i)	Difference in depreciation between Accounting books and tax Return	1,308.06	1,126.99
	Total	1,308.06	1,126.99
Deferred Tax Assets:			
(i)	Provision for retirement benefits	(98.24)	(78.11)
(ii)	Provision for Bonus	(9.15)	(3.69)
(iii)	Provision for doubtful debts and advances	(17.30)	(15.25)
(iv)	On others	-	(1.46)
	Total	(124.69)	(98.51)
Net Deferred Tax liability (Assets)		1,183.37	1,028.48

5 OTHER LONG TERM LIABILITIES

	As at 31 March 2016	As at 31 March 2015
Security Deposits from Agents	357.99	265.56
Total	357.99	265.56

6 PROVISIONS

	Long Term		Short term	
	As at 31 March 2016	2015	As at 31 March 2016	2015
Provision for employee benefits				
Gratuity	175.33	137.46	19.32	15.08
Leave Encashment	81.18	66.37	8.05	6.79
Other provisions				
Provision for Wealth tax	-	-	-	2.86
Provision for Income tax	-	-	210.24	-
Proposed dividend	-	-	220.57	1,102.84
Tax on proposed dividend	-	-	44.90	230.76
Total	265.51	203.83	503.08	1,358.33

7 SHORT-TERM BORROWINGS

	As at 31 March 2016	As at 31 March 2015
Secured - from banks		
Cash / Export Credit Loan	3,039.38	1,807.37
Total	3,039.38	1,807.37

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
8 <u>TRADE PAYABLES</u>	31 March 2016	31 March 2015
Trade payables (including acceptances)	2,957.53	3,803.69

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 2016	As at 31 March 2015
a The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
— Principal Amount	35.01	43.94
— Interest due	-	-
b The amount of Interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
c The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

9 <u>OTHER CURRENT LIABILITIES</u>	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term borrowings (Refer note no. 3)	1,794.41	1,751.00
Interest accrued but not due on borrowings	0.29	30.32
Interest accrued and due on borrowings	30.46	37.32
Advance from customers	274.99	705.14
Unpaid dividends	15.20	6.38
Other payables		
Statutory dues	297.45	279.57
Employees related liabilities	912.14	716.58
Payables for capital goods	404.48	149.78
Others	67.91	80.80
Total	3,797.33	3,756.89

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

Poly Medicare Limited
Annual Report 2015-16



NOTE No. 10: FIXED ASSETS

(₹ in lacs)

Sr. No.	Particulars	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1 April 2015	Additions	Sales / adjustment	As at 31 March 2016	As at 1 April 2015	For the Year	On Sales / Adjustments	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
A	Tangible Assets										
1	Freehold Land	1,346.08	-	-	1,346.08	-	-	-	-	1,346.08	1,346.08
2	Leasehold Land	857.85	4.33	-	862.18	22.58	9.35	-	31.93	830.25	835.27
3	Building	2,695.02	7.26	-	2,702.28	605.06	88.49	-	693.55	2,008.73	2,089.96
4	Plant & Machinery	18,348.59	3,258.51	8.85 *	21,598.25	7,702.72	1,674.14	8.46	9,368.40	12,229.85	10,645.87
5	Furniture & Fixtures	310.37	18.42	0.08 #	328.71	136.42	28.56	0.08	164.90	163.81	173.95
6	Office Equipment	301.13	56.55	2.97 #	354.71	212.16	48.82	2.97	258.01	96.70	88.97
7	Vehicles	618.24	60.02	42.77	635.49	212.75	83.29	38.25	257.79	377.70	405.49
	Total Tangible	24,477.28	3,405.09	54.67	27,827.70	8,891.69	1932.65	49.76	10,774.58	17,053.12	15,585.59
B	Intangible Assets										
1	Software	138.73	65.08	0.11 #	203.70	105.84	27.17	0.11	132.90	70.80	32.89
2	Patent & Trade Marks	598.43	216.15	-	814.58	150.95	62.55	-	213.50	601.08	447.48
	Total Intangible	737.16	281.23	0.11	1,018.28	256.79	89.72	0.11	346.40	671.88	480.37
	Total	25,214.44	3,686.32	54.78	28,845.98	9,148.48	2,022.37	49.87	11,120.98	17,725.00	16,065.96
	Previous Year	19,369.33	6,044.16	199.05	25,212.44	7,326.74	1,813.85	113.43	9,148.48	16,065.96	-

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 2016
Tangible Assets			
Plant & Machinery	2.88	13.33	166.15
Furniture & Fixtures	1.65	0.62	5.01
Office Equipment	13.25	5.91	14.20
Intangible Assets			
Software	30.23	9.35	30.81
Total	48.01	29.21	216.17
Previous Year	58.18	18.14	197.38

- Borrowing cost of ₹ 71.58 lacs (previous year ₹ 52.33 lacs) have been included in additions to Fixed Assets.
- Gross Block of leasehold land includes value of land amounting to ₹ 897.75 lacs for which conveyance deed is pending for execution.
- "#" represents assets discarded / written off during the year.
- "*" includes ₹ 5.53 lacs being assets discarded / written off during the year.

(₹ in Lacs)

11 NON-CURRENT INVESTMENT

	As at 31 March 2016	As at 31 March 2015
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) Membership Interest	130.33	130.33
Less: Provision for diminution in value of investment	(130.33)	(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		
52,900 (Previous year 46,000) 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	561.06
Aggregate amount of Unquoted Investment	691.39	691.39
Aggregate provision for diminution in the value of Investment	130.33	130.33

12 LOANS AND ADVANCES

	Long Term As at 31 March		Short term As at 31 March	
	2016	2015	2016	2015
(Unsecured, considered good unless stated otherwise)				
Capital Advances	760.91	1,689.57	-	-
Security Deposits				
Considered good	124.87	106.63	31.57	15.62
Considered doubtful	-	-	3.66	4.85
Less: Provision for doubtful deposits	-	-	(3.66)	(4.85)
Loans and advances to subsidiary companies	-	168.74	178.88	-
Other loans and advances				
Advance for goods / services				
Considered Good	-	-	256.07	225.75
Considered Doubtful	-	-	7.08	2.56
Less: Provision for doubtful advances	-	-	(7.08)	(2.56)
Loans and advance to employees	-	1.40	2.84	18.69
Prepaid Expenses	1.45	1.04	72.53	80.73
Balance with revenue authorities	-	-	697.92	637.03
Service tax and VAT refundable	-	-	43.25	77.07
Advance tax/ tax deducted at source (net of provision)	403.68	406.00	-	-
Total	1,290.91	2,373.38	1,283.06	1,054.89

Loans and Advances to subsidiary companies includes:

Due from Poly Medicure (Laiyang) Co. Ltd., China	-	168.74	178.88	-
Maximum amount outstanding during the year ₹ 178.88 lacs (Previous year ₹ 170.53 lacs)				

13 <u>OTHER ASSETS</u>	(₹ in Lacs)			
	Non-current		Current	
	As at 31 March		As at 31 March	
	2016	2015	2016	2015
Export benefits receivable	-	-	473.34	485.85
Interest accrued on bank deposits / Advances #	20.85	28.78	151.28	112.97
Premium on forward contracts	-	-	93.50	92.80
Dividend / Governing council share from associates	-	-	47.72	46.35
Other receivable ##	-	-	15.73	17.44
Non-current bank balances (refer note 16)	315.62	305.94	-	-
Total	336.47	334.72	781.57	755.41

Includes interest accrued on loan to subsidiary Company ₹ 23.84 lacs (Previous Year ₹ 10.68 lacs)

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 31 March 2016	As at 31 March 2015
Raw Materials including packing materials	2,869.41	4,012.09
Goods-in transit	54.59	40.17
Work-in-progress	507.62	734.24
Finished Goods	524.13	483.11
Stock-in-trade	1.57	16.22
Stores and spares	100.93	101.47
Total	4,058.25	5,387.30
Additional disclosure regarding inventories		
Raw Materials including packing materials		
Plastic granules	801.30	1,211.63
PVC Sheet	124.42	118.93
SS Tube	221.87	140.37
Boxes	53.04	76.53
Medical paper	269.27	428.87
Other miscellaneous items	1,399.51	2,035.76
	2,869.41	4,012.09
Work-in-progress		
I V Cannula	151.76	254.29
Blood Bag	79.62	226.01
Others	276.24	253.94
	507.62	734.24
Finished Goods		
I V Cannula	97.51	147.63
Blood Bag	67.95	50.84
Others	358.67	284.64
	524.13	483.11
Stock in trade		
Others	1.57	16.22

		(₹ in Lacs)	
		As at 31 March 2016	As at 31 March 2015
15	<u>TRADE RECEIVABLES</u>		
Trade Receivables outstanding for a period less than six months from the date they are due for payment			
Unsecured, considered good		7,658.09	5,836.25
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good		370.98	112.89
Unsecured, considered doubtful		39.25	36.67
Less: Provision for doubtful debts		(39.25)	(36.67)
Total		8,029.07	5,949.14

		Maximum balance outstanding during the year ended	
		2016	2015
Trade receivable includes:			
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners		199.97	387.57
Due from Ultra For Medical Products (U.M.I.C) S.A.E., Egypt being associate company		477.74	434.61

		Non-current As at 31 March		Current As at 31 March	
		2016	2015	2016	2015
16	<u>CASH AND BANK BALANCES</u>				
Cash and cash equivalent					
Balances with Banks					
In current and cash credit accounts		-	-	61.15	52.84
In deposit accounts, with less than 3 months maturity period		-	-	1,196.19	1,101.33
Cheques, drafts on hand		-	-	-	6.79
Cash on hand (including foreign currency notes)		-	-	9.05	9.67
Other Bank balances					
Balance with Banks in unpaid dividend accounts		-	-	15.20	6.38
Held as margin money		304.23	303.55	-	-
Deposits with more than 3 months but less than 12 months maturity period		-	-	866.28	806.37
Deposits with more than 12 months maturity period		11.39	2.39	-	-
Amount disclosed under the head "other assets" (Refer note 13)		(315.62)	(305.94)	-	-
Total		-	-	2,147.87	1,983.38

		Year ended 31 March 2016	Year ended 31 March 2015
17	<u>REVENUE FROM OPERATIONS</u>		
Sale of products			
Manufactured goods		38,754.60	36,489.24
Traded Goods		785.08	720.08
Other operating revenues			
Export Incentives		397.10	538.16

			(₹ in Lacs)
Sale of scrap	78.66		100.34
Less: Excise duty	(567.60)		(478.99)
Total	39,447.84	37,368.83	
Additional disclosures in respect of sale of products			
Finished goods sold			
I V Cannula	14,603.17		15,377.92
Blood Bag	3,185.22		2,231.29
Others	20,966.21		18,880.03
	38,754.60	36,489.24	
Traded goods sold			
S.V. Set	222.93		136.00
Others	562.15		584.08
	785.08	720.08	
18 OTHER INCOME	Year ended	Year ended	
	31 March 2016	31 March 2015	
Interest Income	224.39		227.19
Other non-operating income			
Provisions / Liabilities no longer required written back (net)	49.37		0.52
Gain on fixed assets sold/discarded	3.12		213.12
Gain on Foreign Exchange Fluctuation (net)	467.71		308.03
Miscellaneous Income	93.91		73.28
Total	838.50	822.14	
19 COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED	Year ended	Year ended	
	31 March 2016	31 March 2015	
Inventory at the beginning of the year	3,278.25		1,958.56
Add: Purchases during the year	8,860.80		11,240.90
Less: Inventory at the end of the year	2,372.30		3,278.25
Cost of raw material consumed (A)	9,766.75	9,921.21	
Packing Material Consumed			
Inventory at the beginning of the year	733.84		527.96
Add: Purchases during the year	3,173.81		3,411.80
Less: Inventory at the end of the year	497.11		733.84
Cost of packing material consumed (B)	3,410.54	3,205.92	
Total (A+B)	13,177.29	13,127.13	

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	4,761.36	4,057.45
PVC Sheet	488.08	440.48
SS Tube	377.61	402.34
Other miscellaneous items	4,139.70	5,020.94
	9,766.75	9,921.21

Packing Material Consumed

		(₹ in Lacs)
Boxes	921.99	815.65
Medical paper	853.50	706.23
Others	1,635.05	1,684.04
	3,410.54	3,205.92

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

	Year ended 31 March 16	Year ended 31 March 2015	(Increase) / Decrease
Inventories at the end of year			
Finished Goods and Stock in Trade	525.70	499.33	(26.37)
Work in progress	507.62	734.24	226.62
	1,033.32	1,233.57	200.25
Inventories at the beginning of year			
Finished Goods and Stock in Trade	499.33	605.87	106.54
Work in progress	734.24	320.87	(413.37)
	1,233.57	926.74	(306.83)

21 EMPLOYEE BENEFITS EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
Salaries, wages and bonus	6,313.68	5,502.14
Gratuity Expenses	49.25	36.62
Contributions to Provident Fund and others	472.72	424.33
Staff Welfare Expenses	63.58	66.91
Total	6,899.23	6,030.00

22 RESEARCH AND DEVELOPMENT EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	561.58	586.45
Employee benefits expenses including gratuity of ₹ 2.90 lacs (previous year ₹ 2.15 lacs)	244.62	185.10
Power and Fuel	33.20	44.88
Travelling & Conveyance	15.51	17.92
Other Misc Expenses including payment to auditors ₹ 0.15 lacs (previous year ₹ 0.13 lacs)	16.22	12.31
Total Revenue Expenses	871.13	846.66
Capital Expenditure	48.01	58.18
Total amount spent on Research and Development	919.14	904.84

23 OTHER EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
Consumption of stores and spare parts	530.16	608.46
Power and Fuel	1,452.58	1,251.06
Job Work Charges	3,198.34	3,161.38
Other Manufacturing Expenses	61.50	66.30
Repairs to Building	28.31	36.49

		(₹ in Lacs)
Repairs to Machinery	377.01	372.71
Repairs to Others	30.76	35.31
Excise Duty on closing stock	33.84	12.85
Insurance (Net)	75.55	70.85
Rent	117.35	98.32
Rates, Taxes & Fee	38.54	55.96
Wealth tax	-	2.86
Travelling & Conveyance	517.25	445.76
Legal & Professional Fees	679.47	524.14
Auditors' Remuneration	14.94	19.26
Directors' Sitting Fees	65.65	65.30
Donations	83.00	67.74
Bank Charges	197.79	195.48
Advertisement	4.07	6.20
Commission on sales	235.24	390.79
Freight & Forwarding (Net)	450.62	551.96
Business Promotion	276.28	225.51
Exhibition Expenses	166.21	158.01
Rebate, Discounts & Claims	109.22	62.80
Provision for Doubtful debts / Advances	5.92	0.61
Bad debts written off	33.46	-
CSR Expenditure	93.45	-
Other Miscellaneous Expenses	301.25	269.91
Total	9,177.66	8,756.02

24 FINANCE COST

	Year ended 31 March 2016	Year ended 31 March 2015
Interest expense	536.26	636.19
Other borrowing costs	4.46	6.41
Exchange difference to the extent considered as an adjustment to borrowing costs	237.52	180.05
Total	778.24	822.65

25 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
Depreciation of tangible assets	1,932.65	1,744.29
Less: Transfer to Pre-operative expenses	-	(1.28)
Amortisation of intangible assets	89.72	69.56
Gross Total	2,022.37	1,812.57
Less: Amortisation of Government Grants (refer note no. 2)	(3.58)	(3.58)
Net Total	2,018.79	1,808.99

26 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
a Contingent liabilities not provided for:		
Show Cause notices from excise department (Amount paid ₹ 2.94 lacs, Previous	58.78	58.78

Year ₹ Nil)		(₹ in Lacs)
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
Bonus for the year 2014-15 payable under payment of Bonus (Amendment) Act 2015, stayed by Punjab and Haryana High Court vide order dated 08.04.2016.	119.55	-

b Obligations and commitments outstanding:

Unexpired letters of credit ₹ 424.46 lacs (Previous year ₹ 808.41 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,114.76 lacs (Previous year ₹ 1,051.26 lacs), (Net of margins)	1,542.22	1,859.67
Bills discounted but not matured	1,356.12	1,196.13
Custom duty against import under Advance Licence Scheme	98.09	330.18
Custom duty against import under EPCG Scheme	88.39	275.91
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	949.29	2,313.77

27 FOREIGN CURRENCY FORWARD CONTRACTS REMAINING UNADJUSTED & OUTSTANDING :

Category	Purpose	Currency / Pair of currency	31March 2016		31March 2015	
			Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Sell	Hedging	USD INR	39.33	2,605.61	40.50	2,530.85
		EURO INR	3.85	290.23	5.00	336.00
Buy	Hedging	JPY INR	-	-	94.00	53.23

28 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	Currency	31March 2016		31March 2015	
		Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Trade Receivable	GBP	0.46	43.63	0.54	50.08
	EURO	10.06	758.01	5.21	350.11
	USD	18.77	1,243.38	11.28	704.93
Other Receivable	USD	7.90	523.33	20.94	1308.59
	EURO	2.31	174.12	3.65	245.38
	EGP	5.37	47.72	5.68	46.35
	JPY	-	-	15.47	8.06
Other Payable	USD	4.12	272.95	7.63	477.04
	EURO	1.80	135.69	5.32	357.42
	GBP	0.01	0.52	0.26	24.10
Import Payables	USD	25.09	1,662.00	35.11	2,194.03
	EURO	0.76	57.37	1.12	74.98
	JPY	188.44	111.16	274.68	138.92
Patents	USD	0.92	60.66	0.34	21.00
	EURO	0.51	38.31	0.33	22.47
	SGD	0.09	4.66	0.03	1.32
	JPY	9.76	5.76	9.03	4.71
	GBP	0.07	6.55	0.01	0.24
	AUD	0.05	2.51	0.03	1.46
Legal and Professional Charges	USD	0.27	17.61	-	-
	AUD	0.02	1.02	2.01	95.49
	SGD	0.01	0.26	-	-
	GBP	0.00	0.14	-	-

	EURO	0.07	5.61	0.57	38.20
Commission Payable	USD	2.14	141.81	2.28	142.53
	EURO	0.06	4.50	0.03	1.72
Borrowings	USD	68.18	4,517.07	63.89	3,993.04
Lendings including interest	USD	3.06	202.72	2.87	179.42

- 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 **Subsidiaries and Associate**

Subsidiaries

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

Associate

Ultra For Medical Products (U.M.I.C) S.A.E., Egypt

b **Key Management Personnel**

- 1 Mr. Himanshu Baid, Managing Director
- 2 Mr. Rishi Baid, Executive Director
- 3 Mr. J. K. Oswal, VP (Finance) and CFO
- 4 Mr. Vinay Gujral, Company Secretary, upto 30th April 2015
- 5 Mr. Avinash Chandra Company Secretary, w.e.f. 01st May 2015

c **Relatives of Key Management Personnel**

- 1 Mr. J. K. Baid. (Director - relative of Managing Director & Executive Director)
- 2 Mr. Vishal Baid (President - relative of Managing Director & Executive Director)
- 3 Mrs. Mukulika Baid (Director - relative of Director)

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

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

B Transactions with related parties						
Description	Subsidiaries and Associate		Key Management personnel		(₹ in Lacs) Enterprises controlled by key management personnel and their relatives	
	Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year
Sales of Goods	904.14	742.59			1,418.64	1,206.46
Ultra for Medical Products Egypt	904.14	742.59				
Vitromed Healthcare					1,418.64	1,206.46
Purchases of Goods					82.45	141.01
Vitromed Healthcare					82.45	141.01
Job work					3,003.55	2,976.15
Vitromed Health Care					3,003.55	2,976.15
Rent received					0.24	0.24
Vitromed Healthcare					0.24	0.24
Rent paid					1.51	1.41
Jai Polypan Pvt. Ltd.					1.51	1.41
Interest received on Loan	12.52	10.68				
Poly Medicure (Laiyang) Co. Ltd., China	12.52	10.68				
Directors / Key Managerial Personnels' Remuneration			713.43	685.10		
Mr. Himanshu Baid			341.13	327.01		
Mr. Rishi Baid			334.00	321.44		
Mr. J. K. Oswal			32.64	33.48		
Mr. Avinash Chandra			5.17	-		
Mr. Vinay Gujral			0.49	3.17		
Salary and perquisites			36.28	32.57		
Mr. Vishal Baid			36.28	32.57		
Commission and Sitting fees			20.65	16.80		
Mr. J. K. Baid			10.45	8.70		
Mrs. Mukulika Baid			10.20	8.10		
Dividend / Share Governing Council due	40.90	6.27				
Ultra For Medical Products (U.M.I.C) S.A.E., Egypt	40.90	6.27				
Donation Paid					3.00	1.50
Jaichand Lal Hulasi Devi Baid Charitable Trust					3.00	1.50
Loan outstanding	178.88	168.74				
Poly Medicure (Laiyang) Co. Ltd., China	178.88	168.74				
Dividend / Share Governing Council outstanding	47.72	46.35				
Ultra for Medical Products	47.72	46.35				
Interest outstanding	23.84	10.68				
Poly Medicure (Laiyang) Co. Ltd., China	23.84	10.68				
Remuneration / Salary payable			262.65	280.96		
Mr. Himanshu Baid			129.10	138.70		
Mr. Rishi Baid			129.86	139.27		
Mr. Vishal Baid			1.73	1.69		
Mr. J. K. Oswal			1.58	0.86		
Mr. Avinash Chandra			0.38	-		
Mr. Vinay Gujral			-	0.44		
Commission Payable			13.50	13.50		
Mr. J. K. Baid			6.75	6.75		

(₹ in Lacs)

Mrs. Mukulika Baid		6.75	6.75	
Debtors	477.74	226.03		199.97
Vitromed Healthcare	-	-		199.97
Ultra for Medical Products	477.74	226.03		-

31 EARNINGS PER SHARE (EPS) OF ₹ 5/- EACH

Particulars

	Year ended 31 March 2016	Year ended 31 March 2015
Net profit after tax available for equity share holders (₹ In lacs)	4,730.75	6,101.72
Basic / Diluted Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	44,113,440	44,092,927
Basic / Diluted Earnings per Share (in ₹)	10.72	13.83

32 PAYMENT TO AUDITORS:

Particulars

	Year ended 31 March 2016	Year ended 31 March 2015
Audit Fee	10.25	9.50
Tax audit Fee	1.25	1.00
Limited Review of Results	1.50	1.50
In other capacity		
(a) For Taxation matters	-	3.50
(b) For Certification work	0.91	2.77
Reimbursement of expenses	1.18	1.12
Total	15.09	19.39

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 2016	Year ended 31 March 2015
Employers' contribution to provident fund * #	334.94	300.41

* 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 ₹ Nil (₹1.87 lacs) and intangible capital work in progress ₹ 1.92 lacs (₹ Nil) and to Research and Development Expenses ₹ 7.19 lacs (₹ 5.38 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 2016		For the Year ended 31 March 2015	
	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)
Obligations at beginning of the year	152.54	73.15	123.14	59.27

				(₹ in Lacs)
Service Cost - Current	34.45	22.12	27.95	18.39
Interest Cost	12.97	6.22	10.47	5.04
Actuarial (gain) loss	4.73	18.95	0.35	17.47
Benefit Paid	(10.04)	(31.22)	(9.37)	(27.01)
Obligations at end of the year	194.64	89.22	152.54	73.16
Liability recognised in the Balance Sheet	194.64	89.22	152.54	73.16
Expenses recognised in statement of Profit & Loss	52.15	47.29	38.77	40.90
Expected amount of contribution for the next year	67.06	30.85	53.02	25.20

b) Movement in liability recognised in the Balance Sheet

Particulars	For the Year ended 31 March 2016		For the Year ended 31 March 2015	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Obligations at beginning of the year	152.54	73.15	123.14	59.27
Expenses recognised in the statement of profit & loss	52.15	47.19	38.77	40.90
Benefit Paid	(10.04)	(31.22)	(9.37)	(27.01)
Obligations at end of the year	194.65	89.22	152.54	73.16

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

Particulars	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	2016 (in%)	2016 (in%)	2015(in%)	2015 (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 ₹ 3.69 lacs is remained to be amortised over the balance period of such assets or liabilities (including current year impact of gain amounting to ₹ 46.00 lacs). Had the option not being exercised, the profits of the company would have been higher by ₹ 46.00 lacs.

35 Borrowing cost of ₹ 7.46 Lacs (previous year ₹ 56.19 Lacs) have been included in capital work in progress.

36 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.

37 LEASES : OPERATING LEASES

- The Company has taken five premises under cancellable operating lease. These lease agreements are normally renewed on expiry.
- Lease rental expenses in respect of operating leases: ₹ 117.35 lacs (previous year ₹ 98.32 lacs)
- The Company has taken certain premises on non-cancellation operating lease. The future minimum lease payments in respect of which as at 31st March 2016 are as follows:

Particulars	Year ended 31-March-16	(₹ in Lacs) Year ended 31-Mar-15
Payable not later than one year	95.91	106.35
Payable later than one year and not Later than five year	31.80	35.73
Total	127.71	142.08

38 DETAILS OF EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES AND SHORT FALL IN SPENDING CSR:

Sr. No.	Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
1	On Providing Food / vehicle for food distribution	30.98	18.48
2	On promotion of education including provision for scholarship	46.81	15.22
3	On welfare for disabled persons	12.21	10.00
4	On provision for sanitation	-	5.94
5	On food relief activity	-	5.29
6	On making available safe drinking water	-	1.00
7	On promotion of health care	3.45	0.31
	Total	93.45	56.24
Total amount to be spent on CSR activities in accordance with the provision of section 135 of the Companies Act, 2013		119.54	84.19
Total Amount spent		93.45	56.24
Unspent amount on CSR activities		26.09	27.95

39 (a) Disclosure as required under section 186 (4) of Companies Act, 2013

Sr. No.	Name of the Company to whom Loan Granted	Relationship	Amount granted	Amount Outstanding	Purpose for which loan is proposed to be utilized	Terms and conditions
1	Poly Medicure(Laiyang) Co. Ltd	100% Subsidiary	163.56	178.88	The Company has granted unsecured loan to wholly owned subsidiary company for working capital and acquiring capital assets	The loan has been granted for initial period of two years which can be extended with mutual consent but not exceeding three years. The loan carries interest rate of 7% payable along with repayment of installments.

(₹ in Lacs)

(b) 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 31 March 2016	31 March 2015	Max. balance O.S. during the year 2015-16	2014-15
Poly Medicure (Laiyang) Co. Ltd., China	178.88	168.74	178.88	170.53

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. No option is pending to be granted / exercised / allotted as at 31st March, 2016 under the said scheme.

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

Particulars	(₹ in Lacs)	
	Year ended 31 March 2016	Year ended 31 March 2015
I Raw Materials	7,512.28	8,325.85
II Traded Goods	647.84	710.88
III Stores, Spares & Packing Materials	1,352.18	1,358.06
IV Capital Items	3,003.15	2,827.64
Total	12,515.45	13,222.43

42 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS) :

Particulars	(₹ in Lacs)	
	Year ended 31 March 2016	Year ended 31 March 2015
I Interest	153.36	93.34
II Traveling Expenses	34.61	29.95
III Legal & Professional Charges	418.69	363.28
IV Commission	91.07	217.65
V Bank Charges	32.10	31.68
VI Exhibition Expenses	92.11	87.30
VII Rates Taxes & Fees	0.11	3.01
VIII Freight and Forwarding	1.09	21.16
IX Rebate and Discounts	6.99	-
Total	830.13	847.37

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 31 March 2016		Year ended 31 March 2015	
	Value	%	Value	%
1 Raw materials				
Imported	7,772.46	79.58	8,094.40	81.59
Indigenous	1,994.30	20.42	1,826.81	18.41
Total	9,766.76	100.00	9,921.21	100.00
2 Stores, Spares & Packing Material				
Imported	1,482.74	37.63	1,305.36	34.22
Indigenous	2,457.95	62.37	2,509.02	65.78
Total	3,940.69	100.00	3,814.38	100.00

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

44 EARNING IN FOREIGN EXCHANGE (ON ACCRUAL BASIS):

(₹ in Lacs)

Particulars	Year ended 31 March 2016	Year ended 31March 2015
I FOB Value of Exports During the Year	26,164.08	25,138.52
II Others (Freight, settlement amount, Insurance, Commission, Interest, fees etc. recovered)	210.88	2,988.79
III Dividend / Governing Council share from Associates	40.90	6.27
Total	26,415.86	28,133.58

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 31March 2016	Year ended 31March 2015
I Number of Non Resident Shareholders	3	3
II Number of Equity Shares held by them	168,000	1,68,000
III Amount of Dividend paid (Gross) (₹ In lacs)	-	3.36
IV Amount of Dividend paid (Gross) (In USD)	12,546.50	-
V Year to which dividend relates	2014-15 & 2015-16	2013-14

46 Exceptional items in statement of profit and loss represents one time income of ₹ Nil (previous year ₹ 1957.80 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: 13.05.2016

For and on behalf of the Board

Himanshu Baid

Managing Director

DIN:00014008

Rishi Baid

Executive Director

DIN:00048585

J. K. Oswal

VP (F) and CFO

Avinash Chandra

Company Secretary

Independent Auditor's Report on Consolidated Financial Statements

To the Members of Poly Medicure Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Poly Medicure Limited** ("the Holding Company"), and its subsidiaries and associates (collectively referred to as "the Company" or "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for

our audit opinion on the consolidated financial statements.

Opinion

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

Other Matters

- a) We did not audit the financial statement / financial information of one foreign subsidiary, whose financial statement / financial information reflect total assets of ₹ 1428.40 lacs as at 31st March, 2016, total revenues of ₹ 1778.48 lacs and net cash flows amounting to ₹ 9.51 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹79.50 lacs for the year ended 31st December, 2015 as considered in the consolidated financial statements, in respect of one associate, whose financial statement / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our reports in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, and associates, is based solely on the reports of the other auditors.

- b) We did not audit the financial statement / financial information of one foreign subsidiary namely U.S. Safety Syringes Co., LLC, whose financial statement / financial information reflect total assets of ₹ Nil as at 31st March 2016, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statement/ Financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements /financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the sub- section (3) of Section 143 of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the

aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls refer to our separate report in "Annexure 'A' and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note no. 26 to the consolidated financial statements;

ii) Provision has been made in the consolidated financial statements, as required under the

applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India.

For Doogar & Associates
Chartered Accountants
Firm's Registration Number: 000561N

M.S. Agarwal
Partner
Membership Number: 086580
Place: New Delhi
Date: 13th May 2016

Annexure - A of the Auditor's Report

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

In conjunction with our audit of the consolidated financial statements of the company for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Poly Medicure Limited ("the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the hoding Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance not on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and

maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation to financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion the holding company incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For Doogar & Associates
Chartered Accountants
Firm's Registration Number: 000561N

M.S. Agarwal
Partner
Membership Number: 086580
Place: New Delhi
Date: 13th May 2016

Poly Medicure Limited
Consolidated Balance Sheet as at 31 March, 2016

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2016		As at 31 March 2015	
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	2,205.67		2,205.67	
(b) Reserves and surplus	2	20,657.47	22,863.14	17,412.03	19,617.70
2 Minority Interest			(0.26)		(0.25)
3 Non-current liabilities					
(a) Long-term borrowings	3	3,106.28		4,024.56	
(b) Deferred tax liabilities (Net)	4	1,183.37		1,028.48	
(c) Other Long term liabilities	5	357.99		265.56	
(d) Long-term provisions	6	256.51	4,904.15	203.83	5,522.43
4 Current liabilities					
(a) Short-term borrowings	7	3,345.59		2,105.02	
(b) Trade payables	8				
Amount outstanding to Micro and Small Enterprises		35.01		43.94	
Amount outstanding other than to Micro and Small Enterprises		3,052.14		3,888.94	
(c) Other current liabilities	9	3,988.98		3,865.63	
(d) Short-term provisions	6	503.08	10,924.80	1,358.33	11,261.86
TOTAL			38,691.83		36,401.74
II ASSETS					
1 Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		17,562.87		16,066.46	
(ii) Intangible assets		671.88		480.37	
(iii) Capital work-in-progress		287.27		415.14	
(iv) Intangible assets under development		1,084.50		565.29	
(b) Non-current investments	11	442.21		395.48	
(c) Long-term loans and advances	12	1,290.91		2,204.64	
(d) Other non-current assets	13	336.47	21,676.11	324.04	20,451.42
2 Current assets					
(a) Inventories	14	4,600.04		5,762.24	
(b) Trade receivables	15	8,253.76		6,280.73	
(c) Cash and bank balances	16	2,172.55		1,998.30	
(d) Short-term loans and advances	12	1,226.84		1,150.83	
(e) Other current assets	13	762.53	17,015.72	758.22	15,950.32
TOTAL			38,691.83		36,401.74
Significant accounting policies					
Notes on consolidated financial statements	1 - 47				

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

M. S. Agarwal
Partner
Membership No. 86580

Place : New Delhi
Date : 13.05.2016

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
Avinash Chandra
Company Secretary

Poly Medicure Limited
Consolidated Statement of Profit and Loss for the Year ended 31 March, 2016

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2016	Year ended 31 March 2015
INCOME			
Revenue from operations (Gross)	17	41,793.32	39,513.69
Less: Excise Duty		(567.60)	(478.99)
Revenue from operations (Net)		41,225.72	39,034.70
Other income	18	826.59	812.05
Total Revenue (I)		42,052.31	39,846.75
EXPENDITURE			
Cost of raw materials including packing materials consumed	19	14,091.66	14,002.88
Purchases of Stock-in-Trade		676.13	652.53
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	21.03	(397.94)
Employee benefits expense	21	7,477.49	6,499.18
Research and development expenses	22	871.13	846.66
Other expenses	23	9,510.68	9,019.11
Total (II)		32,648.12	30,622.42
Earnings before Interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		9,404.19	9,224.33
Depreciation and amortization expense	24	797.14	829.85
Finance cost	25	2,102.89	1,877.09
Profit before exceptional items and tax (III)		6,504.16	6,517.39
Exceptional Items (IV)		-	1,957.80
Profit before tax (V) (III + IV)		6,504.16	8,475.19
Tax expense:			
(1) Current tax		1,604.33	2,055.34
(2) Tax adjustment for earlier years (net)		(2.35)	2.35
(3) Deferred tax		154.89	252.21
Total tax expenses (VI)		1,756.87	2,309.90
Profit for the year (V - VI)		4747.29	6,165.29
Add: Share of profit from associates		79.50	66.99
Net Profit for the year		4,826.79	6,232.28
Earnings per equity share: (Face value ₹ 5 each) in rupees	31		
Basic		10.94	14.12
Diluted		10.94	14.12
Significant accounting policies			
Notes on consolidated financial statements	1 – 47		

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 : 13.05.2016

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	Avinash Chandra Company Secretary

Poly Medicure Limited
Consolidated Cash Flow Statement for the year ended 31 March 2016

(₹ in Lacs)

Particulars	Year ended	
	31 March 2016	31 March 2015
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	6,504.16	6,517.39
Adjusted for:		
Exceptional Items	-	1,957.80
Depreciation and amortization	2,102.89	1,877.09
Interest expense	797.14	829.85
Interest income	(211.87)	(216.51)
Loss/(profit) on sale of fixed assets, net	(3.12)	(213.12)
Debts/advances written off	33.46	-
Provision for doubtful debts and advances	5.92	0.61
Credit balances no longer required, written back	(49.37)	(1.02)
Provision for Wealth tax	-	2.86
Deferred employee compensation expenses	-	14.93
Unrealised foreign exchange (gain) /loss	(70.07)	(44.34)
Other adjustments including minority	4.53	87.08
Operating profit before working capital changes	9,104.61	10,812.62
Movement in working capital		
Decrease/ (increase) in sundry debtors	(2,013.89)	(1,701.72)
Decrease/(Increase) in loans and advances	(70.48)	(26.10)
Decrease/(increase) in inventories	1,162.20	(1,561.20)
Increase/ (decrease) in current liabilities and provisions	(453.53)	1,140.78
Cash generated from operations	7,728.91	8,716.58
Direct taxes paid (net of refunds)	(1,389.42)	(2,329.87)
Appropriation towards CSR expenditure	-	(56.24)
Net cash from operating activities	6,339.49	6,330.47
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(3,261.98)	(5,435.41)
Proceeds from / (Investment in) Fixed Deposits (net)	(78.41)	(948.27)
Proceeds from sale of fixed assets	8.03	359.41
Dividend and Interest income	194.65	91.34
Net cash used for investing activities	(3,137.71)	(5,932.93)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans (net of repayment)	392.46	1,262.57
Proceeds from ESOPs	-	5.46
Dividend and tax thereon Paid	(2,654.69)	(1,031.48)
Interest / Finance charges paid	(834.03)	(825.28)
Net cash from (used for) financing activities	3,096.26	588.73
Net increase in cash and cash equivalents (A+B+C)	105.51	(191.19)
Cash and cash equivalents at the beginning of the year	1,185.55	1,376.74
Cash and cash equivalents at the end of the year	1,291.07	1,185.55
Components of Cash and Cash Equivalent		
Balances with Banks	1,269.70	1,165.22
Cheques, drafts on hand	-	6.79
Cash on hand (including foreign currency notes)	21.37	13.54
Total	1,291.07	1,185.55

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 : 13.05.2016

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

Avinash Chandra
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 referred to in Section 133 of the Companies Act 2013 read with Rule 7 of Company (Accounts) Rules 2014, to the extent applicable.
- 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. 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 2015	Financial year ends on
Subsidiary			
U.S.Safety Syringes Co., LLC	USA	75%	31-Mar-16
Poly Medicure (Laiyang) Company Limited	China	100%	31-Mar-16
Associates			
Ultra For Medical Products Company (Ultra Med)	Egypt	23%	31-Dec-15

The financial results of one of the subsidiary namely U.S.Safety Syringes Co., LLC for the year ended 31.03.2016 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 is charged on the basis of useful life of the fixed assets. The Company has adopted useful life of fixed assets as given in Par 'C' of Schedule II of the Companies Act, 2013 in respect of all fixed assets.
- 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.

- 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.

	As at 31 March 2016	(₹ in Lacs) As at 31 March 2015
1 SHARE CAPITAL		
Authorised share Capital		
60,000,000 (Previous Year 60,000,000) Equity Shares of ₹ 5 (Previous Year ₹ 5) each	3,000.00	3,000.00
Issued, subscribed & paid up shares		
44,113,440 (Previous Year 44,113,440) Equity Shares of ₹ 5 (Previous Year ₹ 5) each fully paid up	2,205.67	2,205.67
Total	2,205.67	2,205.67

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

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	4,41,13,440	2,205.67	2,20,33,211	2,203.32
Add: Issued during the year by way of ESOS	-	-	23,509	2.35
Add: Addition on account of share split from ₹ 10 to ₹ 5	-	-	2,20,56,720	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of year	44,113,440	2,205.67	4,41,13,440	2,205.67

1.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5/- (previous year ₹ 5/-). 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 2016, the amount of per share interim dividend declared and paid to equity share holders is ₹ 2.5 per equity share of ₹ 5 each (Previous Year interim dividend ₹ Nil)

During the year ended 31st March 2016, the amount of per share final dividend recognised as distribution to equity shareholders is ₹ 0.50 per equity share of ₹ 5 each (previous year ₹ 2.50 per equity share of ₹ 5 each)

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 2016		As at 31 March 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Share of ₹ 5 each (previous Year ₹ 5 each)				
M/s Allegeny Finlease private Limited	61,76,261	14.00%	61,81,593	14.01%
Shri Rishi Baid	49,13,024	11.14%	49,13,024	11.14%
M/s BS Trade Invest Private Limited	41,29,414	9.36%	42,02,094	9.53%
Shri Himanshu Baid	40,37,312	9.15%	40,37,312	9.15%

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.

(₹ in Lacs)

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 RESERVES AND SURPLUS

Capital Reserves

Surplus on re-issue of forfeited shares

Application money received on Preferential Warrants issued to promoters forfeited

Capital reserve on change in interest in equity of associates

Securities Premium Account

Balance at the beginning of the year

Add: Additions during the year

Closing Balance

Foreign Currency Monetary Translation Account

Balance at the beginning of the year

Add: Additions during the year

Closing Balance

Employees Stock Option Outstanding Account (net of options lapsed)

Add: Additional options granted

Less: Transferred to Share premium Account on allotment of options

Less: Deferred Employee Compensation Expenses

Closing Balance

General Reserve

Balance at the beginning of the year

Add: Additions during the year

Closing Balance

Foreign currency fluctuation reserve

Surplus in statement of Profit and Loss

Balance at the beginning of the year

Less: Adjustment in opening balance on adoption of Schedule II of the Companies Act, 2013 (Net Deferred Tax)

Add: Additions during the year

Less: Dividend / Dividend tax adjusted for previous year

Less: Interim Dividend and tax thereon

Less: Proposed Dividend and tax thereon

Less: Appropriation towards CSR spend

Less: Transferred to General Reserve

Closing Balance

As at
31 March 2016

As at
31 March 2015

13.19

13.19

33.79

33.79

248.81

215.91

83.60

23.98

-

59.62

83.60

83.60

(49.69)

(128.06)

46.00

78.37

(3.69)

(49.69)

-

38.27

-

-

-

(38.27)

-

-

-

-

8,756.90

6,756.90

2,000.00

2,000.00

10,756.90

8,756.90

50.69

122.12

8,203.66

5,401.26

-

(39.67)

4,826.79

6,232.28

6.26

(0.37)

(1,327.35)

-

(265.47)

(1,333.60)

-

(56.24)

(2,000.00)

(2,000.00)

9,443.89

8,203.66

Shares in reserves in associates

25.22 (₹ in Lacs) 23.90

Government Grants (Deferred Income Approach)

Capital Investment Subsidy

Balance at the beginning of the year

8.65 12.23

Add: Additions during the year

- -

Less: Adjusted against depreciation (Refer Note no. 25)

(3.58) (3.58)

Closing Balance

5.07 8.65

Grand Total

20,657.47 **17,412.03**

3 LONG TERM BORROWINGS

Secured

(i) Term loans

from banks

Non-current portion As at 31 March		Current maturities As at 31 March	
2016	2015	2016	2015

3,081.38	3,718.09	1,650.54	1,468.37
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(ii) Others - Vehicle Loan

from banks

1.36	3.84	2.27	16.79
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From others

23.54	32.06	8.52	7.95
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(iii) Deferred payment liabilities

-	270.57	55.45	257.89
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(iv) Equipment Financing

-	-	77.63	-
---	---	--------------	---

Amount disclosed under the head "other current liabilities" (note 9)

-	-	1,794.41	1,751.00
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Total

3,106.28	4,024.56	-	-
-----------------	-----------------	---	---

3.1 Term loan comprise of the following:

From Bank

Rupee Loan

Foreign Currency Loan

Non-current portion As at 31 st March		Current maturities As at 31 st March	
2016	2015	2016	2015

1,279.72	1,501.46	462.50	586.50
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1,801.66	2,216.63	1,188.04	881.87
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3.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Installments	Outstanding as at 31 March 2016	Annual repayment schedule			
				2016-17	2017-18	2018-19	2019-20
Rupee Loan	10.63%	Qtr	1,742.22	462.50	750.00	479.72	50.00
Foreign Currency Loan	3.97%	Qtr	2,989.70	1,188.04	1,243.34	457.82	100.50
Others - Vehicle Loan	10.08%	Monthly	35.69	10.79	10.79	10.40	3.71
Deferred Payment Liabilities	NA	2 in year	55.45	55.45	-	-	-
Equipment Financing	NA	4 in year	77.63	77.63	-	-	-

3.3 Details of security:

- a 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.
- b Vehicle Loans are secured by hypothecation / lien of the respective vehicles.
- c Deferred payment liabilities represents assets acquired on deferred credit terms.
- d Equipment financing represents IT equipment financed under master financing agreement and is secured against the said equipment financed.

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:

(₹ in Lacs)

Component	As at 31 March 2016	As at 31 March 2015
Deferred Tax Liabilities:		
(i) Difference in depreciation between Accounting books and tax Return	1,308.06	1,126.99
Total	1,308.06	1,126.99
Deferred Tax Assets:		
(i) Provision for retirement benefits	(98.24)	(78.11)
(ii) Provision for Bonus	(9.15)	(3.69)
(iii) Provision for doubtful debts and advances	(17.30)	(15.25)
(iv) On others	-	(1.46)
Total	(124.69)	(98.51)
Net Deferred Tax liability (Assets)	1,183.37	1,028.48

5 OTHER LONG TERM LIABILITIES

	As at 31 March 2016	As at 31 March 2015
Security Deposits from Agents	357.99	265.56
Total	357.99	265.56

6 PROVISIONS

	Long Term As at 31 March		Short term As at 31 March	
	2016	2015	2016	2015
Provision for employee benefits				
Gratuity	175.33	137.46	19.32	15.08
Leave Encashment	81.18	66.37	8.05	6.79
Other provisions				
Provision for Wealth tax	-	-	-	2.86
Provision for Income Tax	-	-	210.24	-
Proposed dividend	-	-	220.57	1,102.84
Tax on proposed dividend	-	-	44.90	230.76
Total	256.51	203.83	503.08	1,358.33

		(₹ in Lacs)	
		As at	As at
		31 March 2016	31 March 2015
7	<u>SHORT-TERM BORROWINGS</u>		
	Secured - from banks		
	Cash / Export Credit Loan	3,345.59	2,105.02
	Total	3,345.59	2,105.02
<p>Cash/Export credit limits from State Bank of India and Citibank N.A. including stand by letter of credit from Citi bank for extending working capital limits to subsidiary through Citi bank, China 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.</p>			
8	<u>TRADE PAYABLES</u>	As at	As at
		31 March 2016	31 March 2015
	Trade payables (including acceptances)	3,087.15	3,932.88
<p>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.</p>			
	Particulars	As at	As at
		31 March 2016	31 March 2015
a	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
	— Principal Amount	35.01	43.94
	— Interest due	-	-
b	The amount of Interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
9	<u>OTHER CURRENT LIABILITIES</u>	As at	As at
		31 March 2016	31 March 2015
	Current maturities of long-term borrowings (Refer note no. 3)	1,794.41	1,751.00
	Interest accrued but not due on borrowings	0.29	30.32
	Interest accrued and due on borrowings	30.46	37.32
	Advance from customers	361.52	738.05
	Unpaid dividends	15.20	6.38

Other payables

		(₹ in Lacs)
Statutory dues	304.65	288.05
Employees related liabilities	980.06	762.29
Payables for capital goods	404.48	149.78
Others	97.91	102.44

Total	3,988.98	3,865.63
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There are no outstanding dues to be paid to Investor Education and Protection Fund.

Poly Medicare Limited
Annual Report 2015-16



NOTE No. 10: FIXED ASSETS

(₹ in lacs)

Sr. No.	Particulars	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1 April 2015	Additions	Sales / adjustment	As at 31 March 2016	As at 1 April 2015	For the Year	On Sales / adjustments	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
A	Tangible Assets										
1	Freehold Land	1,346.08	-	-	1,346.08	-	-	-	-	1,346.08	1,346.08
2	Leasehold Land	857.85	4.33	-	862.18	22.59	9.35	-	31.94	830.24	835.26
3	Building	2,850.93	44.35	-	2,895.28	645.45	98.64	-	744.09	2,151.19	2,205.48
4	Plant & Machinery	19,066.81	3,333.79	8.85 *	22,391.75	8,062.45	1,745.61	8.46	9,799.60	12,592.16	11,004.36
5	Furniture & Fixtures	310.99	18.42	0.08 #	329.33	137.00	28.56	0.08	165.48	163.85	173.99
6	Office Equipment	326.66	57.16	2.97 #	380.85	230.86	51.30	2.97	279.19	101.66	95.80
7	Vehicles	618.24	60.02	42.77	635.49	212.75	83.29	38.25	257.79	377.70	405.49
	Total Tangible Assets	25,377.56	3,518.07	54.67	28,840.96	9,311.10	2,106.75	49.76	11,278.09	17,562.87	16,066.46
B	Intangible Assets										
1	Software	138.73	65.08	0.11 #	203.70	105.84	27.17	0.11	132.90	70.80	32.89
2	Patent & Trade Marks	598.43	216.15	-	814.58	150.95	62.55	-	213.50	601.08	447.48
	Total Intangible Assets	737.16	281.23	0.11	1,018.28	256.79	89.72	0.11	346.40	671.88	480.37
	Total	26,114.72	3,799.30	54.78	29,859.24	9,567.89	2,106.47	49.87	11,624.49	18,234.75	16,546.83
	Previous Year	19,987.45	6,326.32	199.05	26,114.72	7,678.05	1,881.95	113.43	9,567.89	16,546.83	-

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 2016
Tangible Assets			
Plant & Machinery	2.88	13.33	166.15
Furniture & Fixtures	1.65	0.62	5.01
Office Equipment	13.25	5.91	14.20
Intangible Assets			
Software	30.23	9.35	30.81
Total	48.01	29.21	216.17
Previous Year	58.18	18.14	197.38

2. Borrowing cost of ₹ 71.58 lacs (previous year ₹ 52.33 lacs) have been included in additions to Fixed Assets.

3. Gross Block of leasehold land includes value of land amounting to ₹ 897.75 lacs for which conveyance deed is pending for execution.

4. "#" represents assets discarded / written off during the year.

5. "*" includes ₹ 5.53 lacs being assets discarded / written off during the year.

		(₹ in Lacs)	
11	<u>NON-CURRENT INVESTMENT</u>	As at	As at
		31 March 2016	31 March 2015
	Trade investments (valued at cost unless stated otherwise)		
	Unquoted equity instruments - fully paid		
	Investment in associates		
	52,900 (previous year 46,000) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	442.21	395.48
	Total (Aggregate amount of Unquoted Investment)	442.21	395.48

12	<u>LOANS AND ADVANCES</u>	Long Term		Short term	
		As at 31 March		As at 31 March	
		2016	2015	2016	2015
	(Unsecured, considered good unless stated otherwise)				
	Capital Advances	760.91	1,689.57	-	-
	Security Deposits				
	Considered good	124.87	106.63	31.57	15.62
	Considered doubtful	-	-	3.66	4.85
	Less: Provision for doubtful deposits	-	-	(3.66)	(4.85)
	Other loans and advances				
	Advance for goods / services				
	Considered Good	-	-	365.04	301.87
	Considered Doubtful	-	-	7.08	2.56
	Less: Provision for doubtful advances	-	-	(7.08)	(2.56)
	Loans and advance to employees	-	1.40	2.84	18.69
	Prepaid Expenses	1.45	1.04	86.22	100.55
	Balance with revenue authorities	-	-	697.92	637.03
	Service tax and VAT refundable	-	-	43.25	77.07
	Advance tax/ tax deducted at source (net of provision)	403.68	406.00	-	-
	Total	1,290.91	2,204.64	1,226.84	1,150.83

13	<u>OTHER ASSETS</u>	Non-current		Current	
		As at 31 March		As at 31 March	
		2016	2015	2016	2015
	Export benefits receivable	-	-	473.34	485.85
	Interest accrued on bank deposits	20.85	18.10	127.44	112.97
	Premium on forward contracts	-	-	93.50	92.80
	Dividend / Governing council share from associates	-	-	47.72	46.35
	Other receivable	-	-	20.53	20.25
	Non-current bank balances (refer note 16)	315.62	305.94	-	-
	Total	336.47	324.04	762.53	758.22

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 2016	As at 31 March 2015
14 INVENTORIES			
(Valued at lower of cost and net realisable value)			
Raw Materials including packing materials		2,970.99	4,125.63
Goods-in transit		55.30	40.86
Work-in-progress		593.42	818.49
Finished Goods		871.71	653.02
Stock-in-trade		1.57	16.22
Stores and spares		107.05	108.02
Total		4,600.04	5,762.24
Additional disclosure regarding inventories			
Raw Materials including packing materials			
Plastic granules		801.30	1,211.63
PVC Sheet		124.42	118.93
SS Tube		221.87	140.37
Boxes		53.04	76.53
Medical paper		269.27	428.87
Other miscellaneous items		1,501.09	2,149.30
		2,970.99	4,125.63
Work-in-progress			
I V Cannula		151.76	254.29
Blood Bag		79.62	226.01
Others		362.04	338.19
		593.42	818.49
Finished Goods			
I V Cannula		97.51	147.63
Blood Bag		67.95	50.84
Others		706.25	454.55
		871.71	653.02
Stock in trade			
Others		1.57	16.22
15 TRADE RECEIVABLES			
		As at 31 March 2016	As at 31 March 2015
Trade Receivables outstanding for a period less than six months from the date they are due for payment			
Unsecured, considered good		7,882.78	6,167.84
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good		370.98	112.89
Unsecured, considered doubtful		39.25	36.67
Less: Provision for doubtful debts		(39.25)	(36.67)
Total		8,253.76	6,280.73

16 CASH AND BANK BALANCES

17 REVENUE FROM OPERATIONS

{ 125 }

	(₹ in Lacs)	
Traded goods sold		
Safety scalp vein set	222.93	136.00
Others	562.15	584.08
	785.08	720.08
18 OTHER INCOME	Year ended	Year ended
	31 March 2016	31 March 2015
Interest Income	211.87	216.51
Dividend Income	-	-
Other non-operating income		
Provisions / Liabilities no longer required written back (net)	49.37	1.02
Gain on fixed assets sold/discarded	3.12	213.12
Gain on Foreign Exchange Fluctuation (net)	467.71	308.03
Miscellaneous Income	94.52	73.37
Total	826.59	812.05
19 COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED	Year ended	Year ended
	31 March 2016	31 March 2015
Raw Material Consumed		
Inventory at the beginning of the year	3,391.79	2,034.93
Add: Purchases during the year	9,763.21	12,153.82
Less: Inventory at the end of the year	2,473.88	3,391.79
Cost of raw material consumed (A)	10,681.12	10,796.96
Packing Material Consumed		
Inventory at the beginning of the year	733.84	527.96
Add: Purchases during the year	3,173.81	3,411.80
Less: Inventory at the end of the year	497.11	733.84
Cost of packing material consumed (B)	3,410.54	3,205.92
Total (A+B)	14,091.66	14,002.88

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	4,761.36	4057.45
PVC Sheet	488.08	440.48
SS Tube	377.61	402.34
Other miscellaneous items	5,054.07	5,896.69
	10,681.12	10796.96
Packing Material Consumed		
Boxes	921.99	815.65
Medical paper	853.50	706.23
Others	1,635.05	1,684.04
	3,410.54	3,205.92

(₹ in Lacs)

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

	Year ended 31 March 16	Year ended 31 March 2015	(Increase) / Decrease
Inventories at the end of year			
Finished Goods and Stock in Trade	873.28	669.24	(204.04)
Work in progress	593.42	818.49	225.07
	1,466.70	1,487.73	21.03
Inventories at the beginning of year			
Finished Goods and Stock in Trade	669.24	687.69	18.45
Work in progress	818.49	402.10	(416.39)
	1,487.73	1,089.79	(397.94)

21 EMPLOYEE BENEFITS EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
Salaries, wages and bonus	6,878.70	5,956.67
Gratuity Expenses	49.25	36.62
Contributions to Provident Fund and others	472.72	424.33
Staff Welfare Expenses	76.82	81.56
Total	7,477.49	6,499.18

22 RESEARCH AND DEVELOPMENT EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	561.58	586.45
Employee benefits expenses including gratuity of ₹ 2.90 lacs (previous year ₹ 2.15 lacs)	244.62	185.10
Power and Fuel	33.20	44.88
Travelling & Conveyance	15.51	17.92
Other Misc Expenses including payment to auditors ₹ 0.15 lacs (previous year ₹ 0.13 lacs)	16.22	12.31
Total Revenue Expenses	871.13	846.66
Capital Expenditure	48.01	58.18
Total amount spent on Research and Development	919.14	904.84

23 OTHER EXPENSES

	Year ended 31 March 2016	Year ended 31 March 2015
Consumption of stores and spare parts	530.16	608.45
Power and Fuel	1,522.08	1,315.63
Job Work Charges	3,198.24	3,161.38
Other Manufacturing Expenses	61.50	66.30
Repairs to Building	44.75	41.24
Repairs to Machinery	377.01	372.71
Repairs to Others	44.59	47.66
Excise Duty on closing stock	33.84	12.85
Insurance (Net)	183.00	132.47
Rent	151.11	130.27
Rates, Taxes & Fee	39.06	56.52
Wealth tax	-	2.86

		(₹ in Lacs)
Travelling & Conveyance	533.77	462.63
Legal & Professional Fees	682.01	527.09
Auditors' Remuneration	15.66	20.12
Commission and Sitting Fees to Non-Executive Directors	65.65	65.30
Donations	83.00	67.74
Bank Charges	197.79	195.48
Advertisement	4.07	6.20
Commission on sales	235.24	392.90
Freight & Forwarding (Net)	493.59	577.62
Business Promotion	279.78	230.52
Exhibition Expenses	166.21	158.01
Rebate, Discounts & Claims	109.22	62.80
Provision for Doubtful debts / Advances	5.92	0.61
Bad debts /Misc. Balances written off	33.46	-
CSR Expenditure	93.45	-
Other Miscellaneous Expenses	326.42	303.74
Total	9,510.68	9,019.11
24 FINANCE COST	Year ended 31 March 2016	Year ended 31 March 2015
Interest expense	555.16	643.39
Other borrowing costs	4.46	6.41
Exchange difference to the extent considered as an adjustment to borrowing costs	237.52	180.05
Total	797.14	829.85
25 DEPRECIATION AND AMORTISATION EXPENSES	Year ended 31 March 2016	Year ended 31 March 2015
Depreciation of tangible assets	2,016.75	1,812.39
Less: Transfer to Pre-operative expenses	-	(1.28)
Amortisation of intangible assets	89.72	69.56
Gross Total	2,106.47	1,880.67
Less: Amortisation of Government Grants (refer note no. 2)	(3.58)	(3.58)
Net Total	2,102.89	1,877.09
26 CONTINGENT LIABILITIES AND COMMITMENTS	Year ended 31 March 2016	Year ended 31 March 2015
Particulars		
a Contingent liabilities not provided for:		
Show Cause notices from excise department (Amount paid ₹ 2.94 lacs, Previous Year ₹ Nil)	58.78	58.78
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
Bonus for the year 2014-15 payable under payment of Bonus (Amendment) Act, 2015, stayed by Punjab and Haryana High Court vide Order dated 08.04.2016.	119.55	-
b Obligations and commitments outstanding:		

		(₹ in Lacs)
Unexpired letters of credit ₹ 427.46 lacs (Previous year ₹ 808.41 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,114.76 lacs (Previous year ₹ 1,051.26 lacs), (Net of margins)	1,542.22	1,859.67
Bills discounted but not matured	1,356.12	1,196.13
Custom duty against import under Advance Licence Scheme	98.09	330.18
Custom duty against import under EPCG Scheme	88.39	275.91
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	949.29	2,313.77

27 FOREIGN CURRENCY FORWARD CONTRACTS REMAINING UNADJUSTED & OUTSTANDING :

Category	Purpose	Currency / Pair of currency	31March 2016		31March 2015	
			Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Sell	Hedging	USD/ INR	39.33	2,605.61	40.50	2,530.85
		EURO/ INR	3.85	290.23	5.00	336.00
Buy	Hedging	JPY/ INR	-	-	94.00	53.23

28 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE:

Particulars	Currency	31March 2016		31March 2015	
		Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Trade Receivable	GBP	0.46	43.63	0.54	50.08
	EURO	10.06	758.01	5.21	350.11
	USD	18.77	1,243.38	11.28	704.93
Other Receivable	USD	7.90	523.33	20.94	1,308.59
	EURO	2.31	174.12	3.65	245.38
	EGP	5.37	47.72	5.68	46.35
	JPY	-	-	15.47	8.06
Other Payable	USD	4.12	272.95	7.63	477.04
	EURO	1.80	135.69	5.32	357.42
	GBP	0.01	0.52	0.26	24.10
Import Payables	USD	25.09	1,662.00	35.11	2,194.03
	EURO	0.76	57.37	1.12	74.98
	JPY	188.44	111.16	274.68	138.92
Patents	USD	0.92	60.66	0.34	21.00
	EURO	0.51	38.31	0.33	22.47
	SGD	0.09	4.66	0.03	1.32
	JPY	9.76	5.76	9.03	4.71
	GBP	0.07	6.55	0.01	0.24
	AUD	0.05	2.51	0.03	1.46
Legal and Professional Charges	USD	0.27	17.61	-	-
	AUD	0.02	1.02	2.01	95.49
	SGD	0.01	0.26	-	-
	GBP	0.00	0.14	-	-
Commission Payable	EURO	0.07	5.61	0.57	38.20
	USD	2.14	141.81	2.28	142.53
Borrowings	EURO	0.06	4.50	0.03	1.72
	USD	68.18	4,517.07	63.89	3,993.04

- 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

Associate

Ultra For Medical Products (U.M.I.C), S.A.E., Egypt

b Key Management Personnel

- 1 Mr. Himanshu Baid (Managing Director)
- 2 Mr. Rishi Baid (Executive Director)
- 3 Mr. J. K. Oswal (VP (Finance) and CFO)
- 4 Mr. Vinay Gujral (Company Secretary), upto 30th April 2015
- 5 Mr. Avinash Chandra (Company Secretary), w.e.f. 01st May 2015

C Relatives of Key Management Personnel

- 1 Mr. J. K. Baid (Director - relative of Managing Director & Executive Director)
- 2 Mr. Vishal Baid (President - relative of Managing Director & Executive Director)
- 3 Mrs. Mukulika Baid (Director - relative of 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 PolycureMartech Ltd.
- 5 Jaichand Lal Hulasi Devi Baid Charitable Trust

B Transactions with related parties

(₹ in Lacs)

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	904.14	742.59			1,418.64	1,206.46
Ultra for Medical Products Egypt	904.14	742.59				
Vitromed Healthcare					1,418.64	1,206.46
Purchases of Goods					82.45	141.01
Vitromed Healthcare					82.45	141.01
Job work					3,003.55	2,976.15
Vitromed Health Care					3,003.55	2,976.15
Rent received					0.24	0.24
Vitromed Healthcare					0.24	0.24
Rent paid					1.51	1.41
Jai Polypan Pvt. Ltd.					1.51	1.41
Directors / Key Managerial Personnel's Remuneration			713.43	685.10		
Mr. Himanshu Baid			341.13	327.01		
Mr. Rishi Baid			334.00	321.44		
Mr. J. K. Oswal			32.64	33.48		
Mr. Avinash Chandra			5.17	-		
Mr. Vinay Gujral			0.49	3.17		
Salary and perquisites			36.28	32.57		
Mr. Vishal Baid			36.28	32.57		
Commission and Sitting fees			20.65	16.80		
Mr. J. K. Baid			10.45	8.70		
Mrs. Mukulika Baid			10.20	8.10		
Dividend / Share Governing Council due	40.90	6.27				
Ultra For Medical Products (U.M.I.C), S.A.E., Egypt	40.90	6.27				
Donation Paid					3.00	1.50
Jaichand Lal Hulasi Devi Baid Charitable Trust					3.00	1.50
Outstanding balances at the year end						
Dividend / Share Governing Council outstanding	47.72	46.35				
Ultra for Medical Products	47.72	46.35				
Remuneration / Salary payable			262.65	280.96		
Mr. Himanshu Baid			129.10	138.70		
Mr. Rishi Baid			129.86	139.27		
Mr. Vishal Baid			1.73	1.69		
Mr. J. K. Oswal			1.58	0.86		
Mr. Avinash Chandra			0.38	-		
Mr. Vinay Gujral			-	0.44		
Commission Payable			13.50	13.50		
Mr. J. K. Baid			6.75	6.75		
Mrs. Mukulika Baid			6.75	6.75		
Debtors	477.74	226.03			199.97	-
Vitromed Healthcare					199.97	-
Ultra for Medical Products	477.74	226.03				

31 EARNINGS PER SHARE (EPS) OF ₹ 5/- EACH

Particulars	(₹ in Lacs)	
	Year ended 31 March 2016	Year ended 31 March 2015
Net profit after tax available for equity share holders (₹ In lacs)	4,826.79	6,232.28
Basic / Diluted Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	4,41,13,440	4,40,92,927
Basic / Diluted Earnings per share(in ₹)	10.94	14.12

32 ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013:

Name of the Entity	Net Assets		Share in Profit	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount
Subsidiaries Companies				
Poly Medicure (Laiyang) Co. Ltd, China	2.62 %	599.25	0.34 %	16.55%
US Safety Syringes Co., LLC, USA	0.00 %	(1.04)	-	-
Associate Company				
Ultra For Medical Products (U.M.I.C), S.A.E., Egypt	-	-	1.65	79.50
Minority Interest in US Safety Syringes Co., LLC, USA			-	(0.26)

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2015, read with rule 5 of Companies (Accounts) Rules, 2014 is Annexed.

33 PAYMENT TO AUDITORS:

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Audit Fee	10.97	10.36
Tax audit Fee	1.25	1.00
Limited Review of Results	1.50	1.50
In other capacity		
(a) For Taxation matters	-	3.50
(b) For Certification work	0.91	2.77
Reimbursement of expenses	1.18	1.12
Total	15.81	20.25

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 2016	Year ended 31 March 2015
Employers' contribution to provident fund * #	334.94	300.41

* 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 ₹ Nil (₹1.87 lacs) and intangible capital work in progress ₹ 1.92 lacs (₹ Nil) and to Research and Development Expenses ₹ 7.19 lacs (₹5.38 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 2016		For the Year ended 31 March 2015	
	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)
Obligations at beginning of the year	152.54	73.15	123.14	59.27
Service Cost - Current	34.45	22.12	27.95	18.39
Interest Cost	12.97	6.22	10.47	5.04
Actuarial (gain) loss	4.73	18.95	0.35	17.47
Benefit Paid	(10.04)	(31.22)	(9.37)	(27.01)
Obligations at end of the year	194.65	89.22	152.54	73.16
Liability recognised in the Balance Sheet	194.65	89.22	152.54	73.16
Expenses recognised in statement of Profit & Loss	52.15	47.29	38.77	40.90
Expected amount of contribution for the next year	67.06	30.85	53.02	25.20

b) Movement in liability recognised in the Balance Sheet

Particulars	For the Year ended 31 March 2016		For the Year ended 31 March 2015	
	Gratuity (Unfunded)	Leave encashment/Compensated Absences (Unfunded)	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)
Obligations at beginning of the year	152.54	73.15	123.14	59.27
Expenses recognised in the statement of profit & Loss	52.15	47.29	38.77	40.90
Benefit Paid	(10.04)	(31.22)	(9.37)	(27.01)
Obligations at end of the year	194.65	89.22	152.54	73.16

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

Particulars	Gratuity 2016 (in%)	Leave Encashment 2016 (in%)	Gratuity 2015(in%)	Leave Encashment 2015 (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 ₹ 3.69 lacs is remained to be amortised over the balance period of such assets or liabilities (including current year impact of gain amounting to ₹ 46.00 lacs). Had the option not being exercised, the profits of the company would have been higher by ₹ 46.00 lacs.
- 36** Borrowing cost of ₹ 7.46 Lacs (previous year ₹ 56.19 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 five premises under cancellable operating lease. These lease agreements are normally renewed on expiry.
- ii) Lease rental expenses in respect of operating leases: ₹ 151.11 lacs (previous year ₹ 130.27 lacs)
- iii) The Company has taken certain premises on non-cancellation operating lease. The future minimum lease payments in respect of which as at 31st March 2016 are as follows:

Particulars	Year ended 31-March-16	Year ended 31-Mar-15
Payable not later than one year	95.91	106.35
Payable later than one year and not Later than five year	31.80	35.73
Total	127.71	142.08

39 DETAILS OF EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES AND SHORT FALL IN SPENDING CSR:

Sr. No.	Particulars	Amount Spent	
		Year ended 31-March-16	Year ended 31-March-15
1	On Providing Food / vehicle for food distribution	30.98	18.48
2	On promotion of education including provision for scholarship	46.81	15.22
3	On welfare for disabled persons	12.21	10.00
4	On provision for sanitation	-	5.94
5	On food relief activity	-	5.29
6	On making available safe drinking water	-	1.00
7	On promotion of health care	3.45	0.31
	Total	93.45	56.24
	Total amount to be spent on CSR activities in accordance with the provision of section 135 of the Companies Act, 2013	119.54	84.19
	Total Amount spent	93.45	56.24
	Unspent amount on CSR activities	26.09	27.95

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. No option is pending to be granted / exercised / allotted as at 31st March, 2016 under the said scheme:

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

Particulars	(₹ in Lacs)	
	Year ended 31 March 2016	Year ended 31 March 2015
I Raw Materials	7,512.28	8,325.85
II Traded Goods	647.84	710.88
III Stores, Spares & Packing Materials	1,352.18	1,358.06
IV Capital Items	3,003.15	2,827.64
Total	12,515.45	13,222.43

42 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS) :

Particulars		
	Year ended 31 March 2016	Year ended 31 March 2015
I Interest	153.36	93.34
II Traveling Expenses	34.61	29.95
III Legal & Professional Charges	418.69	363.28
IV Commission	91.07	217.65
V Bank Charges	32.10	31.68
VI Exhibition Expenses	92.11	87.30
VII Rates Taxes & Fees	0.11	3.01
VIII Freight and Forwarding	1.09	21.16
IX Rebate and Discounts	6.99	-
Total	830.13	847.37

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

Particulars		(₹ in Lacs)	
		Year ended 31 March 2016	Year ended 31 March 2015
Holding Company		Value	%
1 Raw materials			
	Imported	7,772.46	79.58
	Indigenous	1,994.30	20.42
	Total	9,766.76	100.00
2 Stores, Spares & Packing Material			
	Imported	1,482.74	37.63
	Indigenous	2,457.95	62.37
	Total	3,940.69	100.00
Subsidiary Company			
Raw Materials, Stores, Spares and Packing Material Consumed		914.36	100.00
Grand Total		14,621.82	100.00

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

44 EARNING IN FOREIGN EXCHANGE (ON ACCRUAL BASIS):

(₹ in Lacs)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
I FOB Value of Exports During the Year	26,164.08	25,138.52
II Others (Freight, settlement amount, Insurance, Commission, Interest, fees etc. recovered)	198.36	2,978.11
III Dividend / Governing Council share from Associates	40.90	6.27
Total	26,403.34	28,122.90

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 2016	Year ended 31 March 2015
I Number of Non Resident Shareholders	3	3
II Number of Equity Shares held by them	168,000	1,68,000
III Amount of Dividend paid (Gross) (₹ In lacs)	-	3.36
IV Amount of Dividend paid (Gross) (In USD)	12,546.50	-
V Year to which dividend relates	2014-15 & 2015-16	2013-14

46 Exceptional items in statement of profit and loss represents one time income of ₹ Nil (previous year ₹ 1957.80 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

For and on behalf of the Board

Himanshu Baid

Managing Director

DIN:00014008

Rishi Baid

Executive Director

DIN:00048585

Place: New Delhi

Date: 13.05.2016

J. K. Oswal

VP (F) and CFO

Avinash Chandra

Company Secretary

Form AOC-I

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

(₹ in lacs)

1.	Sl. No.	1	2
2.	Name of the subsidiary	Poly Medicure (Laiyang) Co. Ltd., China	US Safety Syringes Co. LLC, USA
3.	Reporting period for the subsidiary concerned	31 st March 2016	31 st March 2016
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	CNY 1 CNY = 10.25 INR	USD 1 USD = 66.25 INR
5.	Share capital	800.49	265.00
6.	Reserves & surplus	(201.24)	(266.04)
7.	Total assets	1,428.40	0.00
8.	Total Liabilities	829.15	1.04
9.	Investments	0.00	0.00
10.	Turnover	1,777.48	0.00
11.	Profit before taxation	16.55	0.00
12.	Provision for taxation	0.00	0.00
13.	Profit after taxation	16.55	0.00
14.	Proposed Dividend	0.00	0.00
15.	% of shareholding	100%	75%

Part "B": Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

(₹ in lacs)

Name of Associates	Ultra For Medical Products (U.M.I.C), S.A.E., Egypt
Latest audited Balance Sheet Date	31 st December 2015
Shares of Associate held by the company on the year end	
No.	52,900
Amount of Investment in Associates	88.67
Extend of Holding %	23%
Description of how there is significant influence	Holding more than 20% of share capital and participation in decision making process.
Reason why the associate is not consolidated	N. A.
Net worth attributable to Shareholding as per latest audited Balance Sheet	2,200.76
Profit for the year	
Considered in Consolidation	79.50
Not Considered in Consolidation	N. A.

A map showing the location of NCU Auditorium in Siri Fort, New Delhi. The auditorium is marked with a red pin and labeled. Surrounding areas include Gulmohar Park, August Kranti Marg, and various educational institutions like Kamala Nehru College and Gargi College. The map also shows roads like Block D Hauz Khas Rd and Tabula Road.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Form No. MGT-11
PROXY FORM

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

CIN: L40300DL1995PLC066923

Name of the Company : Poly Medicure Limited

Registered Office : 232-B, IIIrd Floor, Okhla Industrial Estate, Phase-III, New Delhi- 110020

Name of the member(s) :

Registered address :

E-mail Id:

Folio No/ Client Id : DP ID :

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

1. Name :

Address :

E-mail Id :

Signature :, or failing him / he

2. Name :

Address :

E-mail Id :

Signature :, or failing him / her

3. Name :

Address :

E-mail Id :

Signature :, or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on Tuesday, the 27th day of September, 2016 at 10:00 a.m. at Alpha Hall, 2nd Floor, National Co-operative Union of India, 3, Siri Institutional Area, August Kranti Marg, New Delhi- 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
1	Adoption of Audited Financial Statement of the Company for the financial year ended March 31, 2016 together with, the reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2016 together with the report of Auditors thereon.
2	To Declare dividend on the equity shares for the financial year ended March 31, 2016
3	Appointment of Director in place of Mr. Rishi Baid, who retires by rotation and is eligible for re-appointment.
4	Ratification of appointment of M/s. Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N), as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

5	Approval of Employees Stock Option Scheme, 2016.
6	Approval of Sales Contract with M/s. Vitromed Healthcare, Jaipur
7	Approval of Purchase Contract with M/s. Vitromed Healthcare, Jaipur
8	Approval of Sales Contract with M/s. Ultra for Medical Product, Egypt
9	Approval of Remuneration payable to M/s. Jai Prakash & Co., Cost Accountants, the Cost Auditors of the Company.
10	Approval of determination of fees for delivery of any document through a particular mode of delivery to a member.

Revenue
Stamp

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

Signature of shareholder..... Signature of Proxy holder(s).. ..

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



CSR Initiatives



The Workshops participation in International events



If undelivered, please return to:

Registered Office :

Poly Medicure Limited

232-B, 3rd Floor, Okhla Industrial Estate,
Phase-III, New Delhi-110020, INDIA

Tel: +91-11-26321838 / 99 / 89 / 93 / 81
+91-11-33550700

Fax: +91-11-26321894/39

E-mail: investorcare@polymedicure

Web : www.polymedicure.com

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

Unit-III :

Plot No. 17, Sector-3, I.I.E Sidcul,
Haridwar-249403 (Uttarakhand), INDIA

Unit-IV :

Plot No. PA010-019, Mahindra World City
(Sez) Jaipur - 302037 (Rajasthan), INDIA

www.polymedicure.com