



Experience
INDIAN
HEALTHCARE

Poly Medicure Ltd.

Regd. Office : 232-B, 3rd Floor, Okhla Industrial Estate, Phase - III, New Delhi - 110020, INDIA
Tel : +91-11-47317000, 33550700, 26321838 / 81 / 89 / 93 / 99, Fax : +91-11-26321894, 26321839
E-mail : info@polymedicure.com Website : www.polymedicure.com
CIN : L40300DL1995PLC066923

POLYMED
Medical Devices

18.10.2017

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 2016-17 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 2016-17 approved and adopted by the shareholders as per the provisions of the Companies Act, 2013, at the 22nd Annual General Meeting of the Company held on Thursday the 28th September, 2017 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 2016-17



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 Directors

Jugal Kishore Baid

Mukulika Baid

Additional Director

Dr. Sandeep Bhargava

Managing Director

Himanshu Baid

Executive Director

Rishi Baid

Company Secretary

Avinash Chandra

Key Executives

Vishal Baid, President (Corporate Sales & Marketing)

J. K. Oswal, Chief Financial Officer

Neeraj Raghuvanshi, Chief Operating Officer

Hemant Bhalla, V P (Sales & Marketing)

Bankers

State Bank of India

Citibank N.A.

The Hongkong and Shanghai Banking Corp. Ltd.

Auditors

M/s. Doogar & Associates

New Delhi

Cost Auditors

M/s. Jai Prakash & Co.

Faridabad

Secretarial Auditors

M/s. B.K. Sethi & Co.

New Delhi

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

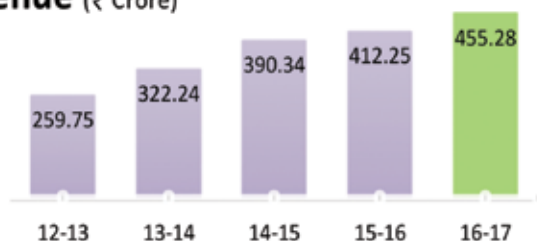
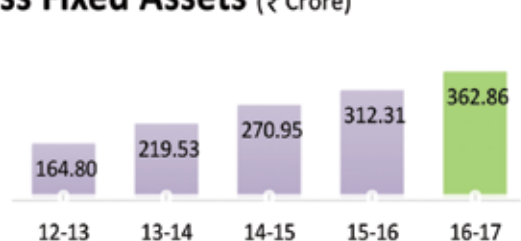
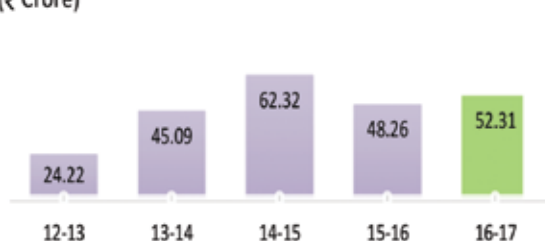
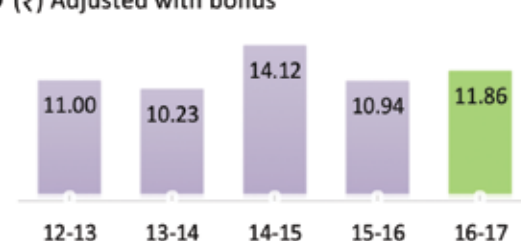
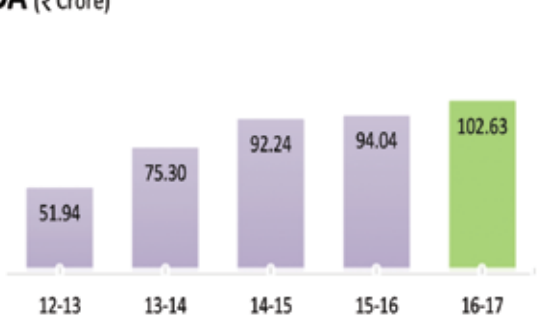
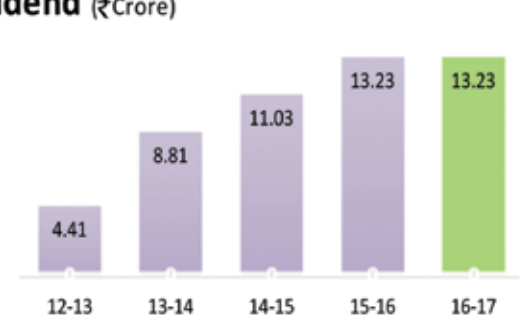
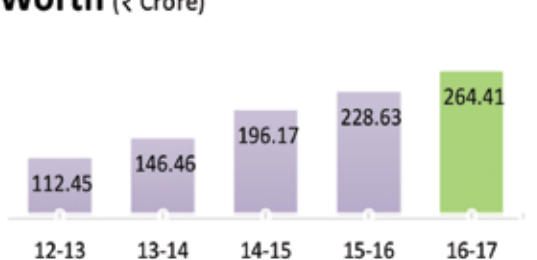
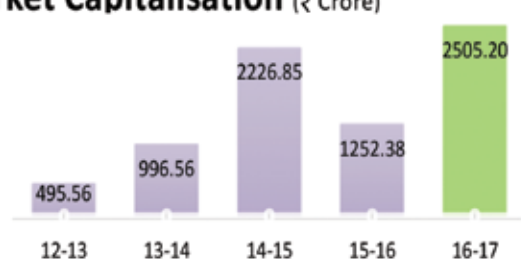
Website: www.polymedicure.com

CIN: L40300DL1995PLC066923

Inside this Report:

Company Overview	<i>Key Performance Indicator</i>	3
	<i>Awards and Recognitions</i>	4
	<i>Participation in Various Exhibitions outside India</i>	4
	<i>CMEs conducted in various Hospitals</i>	5
	<i>Participation in Various Exhibitions in India</i>	5
	<i>Manufacturing Facilities</i>	6
	<i>CSR Initiative and Projects</i>	7
	<i>Product Range</i>	8
	<i>Financial Highlights</i>	9
	<i>Letter to Shareholders</i>	10
Statutory Reports	<i>Notice of Annual General Meeting</i>	13
	<i>Directors' Report</i>	18
	<i>Management Discussion and Analysis</i>	46
	<i>Report on Corporate Governance</i>	59
Financial Statements	<i>Independent Auditors' Report on Financial Statements</i>	73
	<i>Balance Sheet</i>	78
	<i>Statement of Profit and Loss</i>	79
	<i>Cash Flow Statement</i>	80
	<i>Significant Accounting Policies</i>	81
	<i>Notes on Financial Statements</i>	84
	<i>Independent Auditors' Report on Consolidated Financial Statements</i>	111
	<i>Consolidated Balance Sheet</i>	115
	<i>Consolidated Statement of Profit and Loss</i>	116
	<i>Consolidated Cash Flow Statement</i>	117
	<i>Significant Accounting Policies on Consolidated Accounts</i>	118
	<i>Notes on Consolidated Accounts Financial Statements</i>	122
	<i>Statement of Salient features of the Financial Statements of Subsidiaries and Associate</i>	148

Key Performance Indicators (Consolidated):

Revenue (₹ Crore)

Gross Fixed Assets (₹ Crore)

PAT (₹ Crore)

EPS (₹) Adjusted with bonus

EBITDA (₹ Crore)

Dividend (₹ Crore)

Net Worth (₹ Crore)

Market Capitalisation (₹ Crore)


Awards and Recognitions



State Level Export Award received by Shri Himanshu Baid from Shri Manohar Lal, Chief Minister, Haryana & Shri Vipul Goel, Industries & Commerce Minister, Haryana for the years 2012-13, 2013-14 & 2014-2015



"TOP STATE EXPORT AWARD : 2015-16" won by the Company for the 4th consecutive year. Award conferred by Shri Kal Raj Mishra, Union Minister & Shri Vipul Goel, Industries & Commerce Minister, Haryana for MSME on 30th May, 2017.



Gold Award - Medical Devices for the year 2015-16 by Pharmaceutical Export Promotion Council of India



Best Innovator by PHARMAEXIL for 2014-15

Participation in various exhibitions outside India



Medica, Germany, 2016



FIME, Miami USA, 2016



Arab Health, Dubai, 2017



Hospitalar show, Brazil, 2017

CMEs Conducted in Various Hospitals



Shahyadri Hospital, Pune, Maharashtra



Fortis Hospital, Vashi, Mumbai



SDMH Hospital, Jaipur, Rajasthan



Premier Hospital, Hyderabad, Telangna

Participation in various exhibitions in India



Health Tech India, an International Exhibition and Conference on Medical Equipment, Technology, organized by Confederation of Indian Industry (CII), Pragati Maidan, New Delhi



ASICON Conference, Mysore

Manufacturing Facilities



Unit I at Faridabad, Haryana



Unit II at Faridabad, Haryana



Unit III at Haridwar, Uttarakhand



Unit IV at Mahindra World City (SEZ), Jaipur, Rajasthan



Poly Medicure (Laiyang) Co. Ltd.,
(100% Subsidiary in China)



Ultra for Medical Products (U.M.I.C) S.A.E., Egypt
(Joint Venture)

Automatic production Lines



Some of the highlights of CSR Initiatives and Projects

Food Relief Activity



Mid-Day-Meal scheme in Schools through Akshay Patra Foundation



Audio Visual Vehicle to "Akshay Patra" which was flagged by Honorable Governor of Rajasthan Shri Kalyan Singh



Bhavani Child Development Centre, NGO at Jaipur for the mentally retired and dyslexia children for their upliftment.

Animal Protection and Education on Sanitation



Ambulance Service for Animal Protection



Cheque given to SMC Govt. School, Jirotakala, Jaipur by Smt. Mukulika Baid, Director



Constructed water tank for drinking water for the students at Mahawat pur School, Ballabgarh.

Education about Human Health & Hygiene to Girls



Education about Human health & hygiene to girls from class 6th to 10th.



Free Distribution of Health Hygiene Products to School Girls



Construction of toilets in Govt. Senior Secondary School, Nagal Jaisa Bohra, Jaipur.

Product Range:

Infusion Therapy & Vascular Access

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

Central Venous Access Catheters

Central Venous Catheters (Single / Double / Triple Lumen)
Coated Catheter

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
Mucus Extractor
Ventilator Circuit
Laryngeal Mask
HME Filter
Bain Circuit

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
Umbilical Catheter
Feeding Bag

Blood Transfusion

Blood Administration Sets
Transfusion Pump Set
Blood Bag Systems
CPD-SAGM-TOTM Bag System
ACD Bags
Blood Collection Tubes and Needles
Blood Collection Needle with flashback
Safety Blood Collection Sets
Luer Adapter
Standard Needle Holder

Surgery and Wound Drainage

Closed Wound Suction Units
High Pressure Vacuum Bottles with Extension Tube
Redon Drains
Thoracic Drainage Catheters
Abdominal Drainage Sets
Under Water Seal Drainage Systems
Yankauer Suction Sets

Dialysis

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

Others

Insulin Syringes
Umbilical Cord Clamps
Sputum Collector
Dry Brush
Injection stopper
Cannula Fixator
Universal Cap

Financial Highlights (Standalone)

(₹ in lacs)

	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue From Operations (Net)	43,978.19	39,447.84	37,368.83	31,233.32	25,223.79
Total Revenue	45,089.34	40,286.34	38,190.97	31,339.52	25,260.55
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBITDA)	10,329.50	9,284.65	9,085.46	7,369.56	5,152.02
Depreciation and Amortisation	2,291.92	2,018.79	1,808.99	1,351.06	1,182.06
Exceptional Items	-	-	(1,957.80)	(991.46)	-
Profit For the Year	5,339.34	4,730.74	6,101.72	4,303.21	2,402.92
Equity Dividend *	60%	60%	50%	40%	40%
Dividend Payout	1,323.40	1,323.40	1,102.84	881.33	440.50
Equity Share Capital	4,411.34	2,205.67	2,205.67	2,203.32	1,101.25
Reserves and Surplus	21,793.55	20,177.89	16,991.29	12,226.21	10,002.73
Net Worth	26,204.89	22,383.56	19,196.96	14,429.95	11,103.98
Gross Fixed Assets	35,147.41	30,217.75	26,194.87	21,335.69	15,719.38
Net Fixed Assets	21,838.86	19,096.77	17,046.39	14,008.95	9,715.95
Total Assets	44,650.85	37,628.98	35,445.67	28,248.21	21,193.00
Market Capitalisation	2,50,520.23	1,25,238.06	2,22,684.65	99,656.00	49,556.00

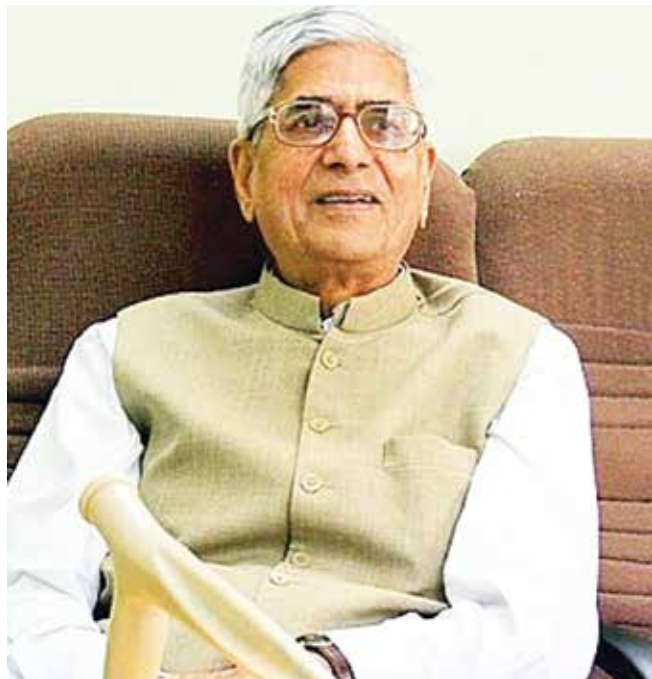
Key Indicators

	2016-17	2015-16	2014-15	2013-14	2012-13
Earnings Per Share - (₹)*	12.10	10.72	13.83	9.77	5.45
Turnover Per Share - (₹)*	99.69	89.42	84.71	70.88	57.26
Book Value Per Share - (₹)*	59.40	50.74	43.52	32.75	25.21
Debt : Equity Ratio	0.37:1	0.35:1	0.40:1	0.46:1	0.44:1
EBITDA/ Net Turnover	23.49%	23.54%	24.31%	23.60%	20.43%
Net Profit Margin *	12.14%	11.99%	16.33%	13.78%	9.53%
RONW	20.38%	21.13%	31.78%	29.82%	21.64%
ROCE *	24.89%	26.58%	29.44%	30.87%	27.29%

*Adjusted for issue of Bonus Share in FY 2013-14 & 2016-17 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,

It gives me immense pleasure to once again communicate with you through our Annual Report 2016-17, and I warmly acknowledge the strong association that we have enjoyed over the years.

At the outset, I would like to thank our Board of Directors, for their outstanding contribution for the development of the organization over the years. Further I would also like to welcome, Dr. Sandeep Bhargava as Additional Director. He was a Senior Consultant in Gastroenterology, Hepatology and Interventional Endoscopy Indraprastha Apollo Hospitals, New Delhi. He was also Staff Gastroenterologist and Hepatologist, Lourdes Medical Associates, Cherry Hill, USA. He has around 26 years of experience in medical field in India and abroad. He has worked as Clinical Instructor in Medicine and Gastroenterology, at Rhode Island Hospital, USA. Apart from this he is also guest faculty at various medical institutions in India and abroad and writer of various books on medical Sciences. I believe that his work will strengthen the Company's place in India's healthcare landscape.

During the year, your Company has achieved net sales of ₹ 455.28 Crores, as against the net sales of ₹ 412.25 Crore in previous financial year. EBITDA improved to ₹ 102.63 Crores as from ₹ 94.04 Crores in the preceding year. During the same period, net profit after tax expended to ₹ 52.32 crores from

₹ 48.27 crore in the previous year. I am extremely thankful to my fellow members of the Board and all the stakeholders for their valuable guidance and support to made it possible, to attain such digits.

Looking ahead, your Company anticipates many developments in the economic and business environment, some of which are local phenomena and some triggered by global trends. The Indian Economy is on the threshold of the next phase of growth through government sponsored "Make-In-India" programmes and other investment-led strategies.

The Union Cabinet has approved the National Health Policy, 2017 (NHP, 2017). The Policy seeks to reach everyone in a comprehensive integrated way to move towards wellness. It aims at achieving universal health coverage and delivering quality health care services to all at affordable cost. The Policy looks at problems and solutions holistically with private sector as strategic partners. It seeks to promote quality of care, focus is on emerging diseases and investment in promotive and preventive healthcare. The policy is patient centric and quality driven. It addresses health security and make in India for drugs and devices.

Current year is going to be a water-shed in the Country's economy. GST has been introduced from 1st July 2017. This is going to be game changer. The Nation will have one tax rate for a similar products subsuming all the indirect taxes except Customs Duty.

While I AM GRATEFUL FOR THE PAST, I look forward with confidence to the future. My confidence stems from the fact that we have a strong and committed Management Team carrying forward the vision for the Company and the high level of passion and resilience to succeed that I see in each one of them. The Polymed spirit that embodied all Polymedians has made the Company great and will continue to be our underlying strength and enable us to achieve higher levels of performance in the time ahead.

The journey has been exciting – the future is even more glorious. We will use the optimism that we have and the momentum that we have generated along with the memories and lessons of the past to guide us towards new horizons.

D. R. Mehta
Chairman

New Delhi
12th August 2017

LETTER FROM MANAGING DIRECTOR



Dear Shareholders,

As a responsible healthcare Company, we drive change by adopting new and innovative technologies, aligned with our values, so that we can better serve the evolving needs of our society and enable more patients to benefit from our products.

Overview of Economy and Business

Healthcare has become one of India's largest sector both in terms of revenue and employment. The overall Indian healthcare market is worth around US\$ 100 billion and is expected to grow to US\$ 280 billion by 2020, a Compound Annual Growth Rate of 22.9 percent. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well as private players.

India is a land full of opportunities for players in the medical devices industry. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of population. Besides, Indian consumers have become more conscious towards their healthcare upkeep.

Business Review

I am pleased to present the Financial performance of your Company for the financial year ending March 31, 2017. Your Company has achieved net sales of ₹ 455.28 Crores, as against the net sales of ₹ 412.25 Crore in previous financial year. EBITDA improved to ₹ 102.63 Crores as from ₹ 94.04 Crores in the preceding year.

Your Company is focused on strategy to ensure growth in existing product portfolio and to expand its product portfolio for future growth, thereby creating value for all its stakeholders. In this line, we are pleased to inform you that your Company has started a new Research and Development center to fuel innovation culture in the Company, which will bring new products to market much faster.

Your Company is expanding business in focused therapeutic areas to increase its share of wallet from existing customers. Today "POLYMED" brand is recognized world over as a brand synonym with quality medical devices.

Your Company has strengthened its product base across its key segments of Infusion Therapy, Vascular Access & Blood Transfusion devices. The Company has also planned to launch more than 10 new devices in next one year in India & all international markets. Today the Company is producing over 3 million medical devices per day and its one of the largest player in its segment in India.

Your Company is fully geared up with new GST framework & has already transitioned into it.

Last year achievements.

Your Company received the Top Export Award in Medical devices category from PLEXCOUNCIL for Financial Year 2014-15 and was also awarded the best Innovator by PHARMEXIL for the year 2014-15. Your Company was also recognized by Haryana Government for the Top Exporter Award.

We have also implemented SAP software with great success.

Your Company recently won a long fought patent dispute with a large multinational Company in Europe. This will now open up new opportunities for the Company in European Union markets, where business is expected to grow at a much faster rate.

The Company has also planned to induct new talent in selling high end medical devices and move towards more clinical selling of its products in India as well as overseas markets.

Dividend

Your Company has maintained reasonable profitability and continued the practice of rewarding its shareholders with handsome dividends. In the year under review an interim dividend of ₹ 1.00 per Share was paid on 9th November, 2016 and ₹ 1.00 per share paid on 6th February, 2017, further the Board has also recommended a final dividend of ₹ 0.50 per share for the Financial year ended on 31st March, 2017 on the increased capital of the Company.

Future Outlook and Challenges

As we look forward, the Company will continue to maintain its focus on executing strategic priorities and to invest in the development of new products as well as building on its diverse portfolio of existing brands.

As we have highlighted earlier, India's Medical Devices Industry is strategically positioned to contribute to the national interest by generating economic value in terms of providing quality medical products at affordable prices, domestic value addition, creating employment as well as significantly enhancing the country's export revenues.

The realization of this potential is greatly dependent on the efficiency of the regulatory authority as well as pragmatic policies supported by both the government and regulators. As the sector requires high investment in technological upgrades as well as capacity & capability building.

In order for the Medical Devices industry to flourish, it is important that our policymakers pick the best practices and even set new standards that would be adopted by others. We remain committed to contribute to any such dialogue that will foster the growth of this important sector and realize its economic potential for the country.

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

1. Build Brand leadership in India & global markets.
2. Increase expenditure on R&D
3. Improve efficiencies in Manufacturing by adopting best practices
4. Increase product basket across all therapies.
5. Expand sales & marketing network globally.
6. Increase alliances with Clinical experts.

Acknowledgement

We would like to acknowledge the contribution made by our talented pool of employees and their unwavering commitment and relentless efforts that have helped to maintain the Company's success in these challenging times.

On behalf of the Board, I thank our employees, partners, suppliers and all stakeholders for their support and commitment and we look forward to continued working with them to attain higher success in coming years.

With warm regards

Himanshu Baid
Managing Director

New Delhi
12th August 2017

NOTICE

Notice is hereby given that the 22nd Annual General Meeting (AGM) of the members of **"Poly Medicure Limited"** will be held on Thursday, the 28th September, 2017 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, 2017 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, 2017 together with the report of Auditors thereon.
2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2017 and to ratify the payment of interim dividend of ₹ 1.00 per share paid on 9th November, 2016 and ₹ 1.00 per share paid on 6th February, 2017 by the Board of Directors.
3. To appoint a Director in place of Shri Himanshu Baid (DIN: 00014008) 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 any modification the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Dr. Sandeep Bhargava (DIN No. 07736003) who was appointed as an Additional Director of the Company with effect from 25th February, 2017 under Section 161 of the Act, whose term of office expires on the date of this Annual General Meeting, and the Company has received a notice from a shareholder proposing his candidature for appointment as a director under Section 160, of the Companies Act 2013 be and is hereby appointed as a Director of the Company.

"RESOLVED FURTHER THAT Dr. Sandeep Bhargava (DIN No. 07736003), be and is hereby appointed as an independent Director of the Company, to hold office for 2 (two) consecutive years for a term up to the conclusion of 24th Annual General Meeting of the Company.

6. 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 ₹ 45,000/- (plus applicable taxes) to M/s. Jai Prakash & Company, Cost Accountants, who were appointed by the Board of Directors in their Meeting held on 12th August, 2017 for conducting the audit of cost records of the Company for the financial year ending 31st March, 2018 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.”

By order of the Board
 Avinash Chandra
 Company Secretary

Date: 12th August, 2017
 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 22ND 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 Friday, 22nd September, 2017 to Thursday, 28th September, 2017, (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 29th September, 2017 to those persons or their mandates:
 - a) whose names appear as beneficial owners as at the end of the business hours on 21st September, 2017 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 21st September, 2017.
8. Pursuant to the provisions of the Companies Act 1956, the unpaid / unclaimed dividend for the financial year 2008-09 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 2009-10 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 encased the dividend warrant(s) For the Financial year 2009-10 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. The Annual Report of the Company for the year 2016-17, circulated to the Members of the Company, is available on the Company's website viz. [www. polymedicure.com](http://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 21st September, 2017 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

Regularization of appointment of Dr. Sandeep Bhargava.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Dr. Sandeep Bhargava as an Additional Director (Independent) of the Company to hold office for a period of two consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Dr. Sandeep Bhargava holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of

Dr. Sandeep Bhargava as a Director of the Company. The Company has also received a declaration from Dr. Sandeep Bhargava confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Dr. Sandeep Bhargava is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Dr. Sandeep Bhargava fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Dr. Sandeep Bhargava holds a bachelor degree as MBBS and Post Graduation Degree as MD. He has around 26 years of experience in medical field in India and abroad.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.polymedicure.com.

Dr. Sandeep Bhargava is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Dr. Sandeep Bhargava and his relatives, are in any way, concerned or interested in the said resolution.

The resolution as set out in item No. 5 of this Notice is accordingly commended for your approval.

Item No. 6

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, 2018.

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. 6 of the Notice, to ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March 2018.

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. 6 of the Notice.

By order of the Board
 Avinash Chandra
 Company Secretary

Date: 12th August, 2017
 Registered Office:
 232-B, 3rd Floor, Okhla Industrial Estate, Phase III,
 New Delhi -110020.
 CIN: L40300DL1995PLC066923
 E-mail: investorcare@polymedicure.com

Annexure

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Name of the Director	Shri Himanshu Baid	Dr. Sandeep Bhargava
Date of Birth and Age	8th June, 1968, 49 years	29th October, 1967, 49 years
Date of Appointment	30th March, 1995	25th February, 2017
Qualifications	Electronics Engineer	MBBS, MD
Expertise in Specific functional areas	Over 20 years of experience in manufacturing, Sales and marketing of Disposable Medical Devices	Clinical Practice and Research
Board Membership of other Companies as on 31st March, 2017	(i) Polycure Martech Limited (ii) Jai Polypan Private Limited (iii) Exicom Tel-Systems Limited (iv) Poly Medicure (Laiyang) Co. Ltd., China (v) US Safety Syringes Co. LLC, USA (vi) Ultra for Medical Products, Egypt	None
Chairmanship(s)/Membership(s) of Committees of other Companies as on 31st March, 2017	Exicom Tel-Systems Limited • Audit Committee* • Nomination and Remuneration Committee*	None

**Chairman of the Board/Committee.*

For other details such as number of shares held, number of meetings of the Board attended during the year, remuneration drawn in respect of the aforesaid directors, please refer to the Corporate Governance Report.

DIRECTORS' REPORT

Your Directors take immense pleasure in presenting the 22nd Annual Report on the business and operations of the

Company along with the Audited Financial Statements for the year ended March 31, 2017.

Financial Results

(₹ In lacs)

Parameters	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations (Net)	43,978.19	39,447.84	45,528.96	41,225.72
Add: Other Income	1,111.15	838.50	1,108.89	826.59
Total Revenue	45,089.34	40,286.34	46,637.85	42,052.31
Profit before Interest, Tax, Depreciation and Amortization (EBITDA)	10,329.50	9,284.65	10,263.04	9,404.19
Less: Depreciation & Amortization Expenses.	2,291.92	2,018.79	2,368.96	2,102.89
Less: Financial Costs	700.54	778.24	723.16	797.14
Profit Before Tax (PBT)	7,337.04	6,487.62	7,170.92	6,504.16
Less: Tax provision	1,997.70	1,756.87	1,997.70	1,756.87
Profit after Tax for the Year	5,339.34	4,730.75	5,173.22	4,747.29
Add: Share of Profit from Associates	0.00	0.00	58.71	79.50
Net Profit for the Year	5,339.34	4,730.75	5,231.93	4,826.79
Total amount available for appropriation	14,628.37	12,875.59	14,675.82	13,030.45
Less: Appropriations	1,592.82	1,586.56	1,592.82	1,586.56
Less: Amount transferred to General Reserve	2,500.00	2,000.00	2,500.00	2,000.00
Surplus carried to Balance Sheet	10,535.55	9,289.03	10,583.00	9,443.89
Earnings per Share (EPS in ₹) (Face Value ₹ 5 each)				
Basic	12.10	10.72	11.86	10.94
Diluted	12.10	10.72	11.86	10.94

Briefly, during the year under report, the Company's total income increased to ₹ 46,637.85 lacs from ₹ 42,052.31 lacs in the previous year, registering a growth of 10.90%. EBITDA improved to ₹ 10,263.04 lacs as from ₹ 9,404.19 lacs in the preceding year which translates into a rise of 9.13 %. Profit before Tax (PBT) is ₹ 7,170.92 lacs as against ₹ 6,504.16 lacs in previous year.

Highlights of performance are discussed in detail in the Management Discussion and Analysis Report which forms part of the Directors' Report.

Share Capital

During the year under report, the Company has issued 4,41,13,440 fully paid-up bonus shares amounting ₹ 22,05,67,200 of face value ₹ 5 each to the shareholders of the Company in proportion of one equity share for every one equity share held by the members of the Company.

Dividend

The Board in its meeting held on 9th November, 2016 and 6th February, 2017 declared an interim dividend of ₹ 1.00 each per equity share, further the Board in its meeting

held on 10th May, 2017 has recommended a final dividend of ₹ 0.50 per equity share for the financial year ended on 31st March, 2017. 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 ₹ 530.94 lacs including dividend tax. The total dividend on equity shares including dividend tax for the F.Y. 2016-17 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, to the members whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited on book closure date. The Board of Directors of the Company had adopted Dividend Distribution policy in accordance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Dividend distribution policy is available on the Company's website www.polymedicure.com.

Transfer to Reserves

The Board of Directors has proposed to transfer ₹ 2,500.00 lacs to General Reserves out of the amount available and carry the balance of ₹ 10,535.55 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 ₹ 1,570.77 lacs for the year ending March, 2017 against ₹ 1,777.88 lacs in the previous year ending March, 2016. The Performance during the year was impacted by high labour costs and lower utilization of machinery.
- **US Safety Syringes Co., LLC, USA** – The business operation in the Company has been shut down and the process for winding up the Company has been initiated.
The Company has one Associate in Egypt, viz.

Ultra for Medical Products, Egypt – The Associate has achieved sales of ₹ 3,569.48 lacs during the year ending December 2016, against ₹ 5,458.63 lacs in the previous year ending December 2015. The Sales of the Company increased in local currency terms but viz a viz USD/INR that sales decreased due to steep devaluation of EGP viz a viz major world currencies.

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

During the Year under review, the Company has transferred ₹ 46,403, 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 2008-09 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

In view of the provisions of the Companies Act, 2013, Shri Himanshu 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 Shri Himanshu Baid, Managing Director, Shri J.K. Oswal, Chief Financial Officer and Shri Avinash Chandra, Company Secretary.

Shri Neeraj Raghuvanshi has joined as Chief Operating Officer (COO) of the Company w.e.f. 2nd June, 2017 and Shri Amitabh Sagar has joined as Chief Human Resource Officer (CHRO) w.e.f. 24th July, 2017.

Board Evaluation

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure, composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors were carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination, and Remuneration Committee also reviewed the performance of the Board, its Committees and of the 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 have 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 2017-18.

Secretarial Auditor

The Board of Directors have appointed M/s. B.K. Sethi & Company, (Certificate of Practice No.- 913), Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed this Report as **Annexure – 3**.

The Board of Director have appointed M/s. B.K. Sethi & Company, Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2017-18.

BUSINESS RESPONSIBILITY REPORT

A detailed Business Responsibility Report (BRR) is prepared. As a green initiative the BRR is placed on website of your Company and can be accessed at the website of the Company www.polymedicure.com.

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 ₹ 140.19 lacs towards CSR activities out of which ₹ 116.61 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 spent ₹ 266.30 lacs out of the referred spent of ₹ 343.92 lacs in CSR activities in last 3 years. However ₹ 77.62 lacs is unspent and the CSR Committee has decided to carry forward the unspent amount to next year CSR budget. The Company has initiated many projects and activities under CSR initiative and most of them will reach maturity stage in current year and next year. The Company will spend all available funds for 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 strengths of POLYMED lie in its know-how and perfected technologies. We create user-friendly products by combining the new with the tried-and-tested. Two factors are of outright importance here: safety and quality. We place the strictest demands on the reliability of our products and services. Quality assurance is therefore a firm component of our activities in all areas. Every product runs through a multitude of tests before it is ready for the market. In this way we are able to offer a constant high level of quality to our worldwide customers.

The Company has adopted several significant external benchmarks and certifications. 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 continue to accord the Company, 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 Board has also increased the limit for hedging the

Forex Exposure as per the Hedging Policy of the Company. The Board increased the hedging of the Forex exposure transaction(s) upto 15 months, subject to the maximum of 75% of total Net Forex Exposure (NFE) during the currency period of the Contract.

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, 2017 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 2017-18 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 2017 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 2016-17 and Notice of the 22nd 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 2017 and the Notice of the 22nd Annual General Meeting would be sent in the permitted mode.

Acknowledgements & Appreciation

The Directors express their appreciation for the sincere cooperation and assistance of Central and State Government authorities, bankers, customers, suppliers and business associates. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude, the encouragement and support extended by our valued shareholders.

For and on behalf of Board

12th August, 2017	D. R. Mehta	Himanshu Baid
New Delhi	Chairman	Managing Director

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 Members, Key Managerial Personnel and Senior Management and to regularly review the plan.

Annexure-1

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 authorize the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of schedule V.
- The Company with the approval of the shareholders, may authorize the payment of remuneration upto five percent of the net profit of the Company to any one of its Managing Director/Whole Time Director/Manager and ten percent in case 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, if there is a Managing Director or Whole Time Director or Manager and three percent of the net profits in any other cases.
- 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

Annexure-2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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	30th 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 Products	46497	68.60

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 S treet-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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	17900704	0	17900704	40.57	35798208	0	35798208	40.58	0
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.	3496572	0	3496572	7.92	6993144	0	6993144	7.93	0
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	227200	0	227200	0.26	0
b) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	21510876	0	21510876	48.76	43018552	0	43018552	48.76	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	147982	0	147982	0.34	53952	0	53952	0.06	(0.28)
b) Banks / FI	0	0	0	0	3412	0	3412	0	0
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	16962	0	16962	0.04	5182220	0	5182220	5.87	5.83
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	3308735	0	3308735	7.50	0	0	0	0	(7.50)
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):-	3473679	0	3473679	7.87	5239584	0	5239584	5.94	(1.93)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14431402	0	14431402	32.71	26500160	0	26500160	30.04	(2.67)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	1608682	293604	1902286	4.31	3206288	513592	3719880	4.22	(0.09)

ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	2324271	60800	2385071	5.41	4565390	73600	4638990	5.26	(0.15)
c) NBFCs registered with RBI	4012	0	4012	0.01	228592	0	228592	0.26	0.25
d) Others (specify) Non Resident Indians/OCB	326233	54400	380633	0.86	863662	108800	972462	1.11	0.25
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	25381	0	25381	0.06	3901660	0	3901660	4.42	4.36
Trusts	100	0	100	0	7000	0	7000	0.01	0.01
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	18720081	408804	19128885	43.36	39272752	695992	39968744	45.30	1.94
Total Public Shareholding (B)=(B)(1)+ (B)(2)	22193760	408804	22602564	51.24	44512336	695992	45208328	51.24	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	43704636	408804	44113440	100.00	87530888	695992	88226880	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	9826048	11.14	0	0
2	Himanshu Baid	4037312	9.15	0	8074624	9.15	0	0
3	Himanshu Baid(HUF)	1919600	4.35	0	3839200	4.35	0	0
4	Mukulika Baid	1531200	3.47	0	3062400	3.47	0	0
5	Rishi Baid(HUF)	1390000	3.15	0	2780000	3.15	0	0
6	Jugal Kishore Baid	1139688	2.58	0	2279376	2.58	0	0
7	Vishal Baid	840680	1.91	0	1681360	1.91	0	0
8	Shaily Baid	594000	1.35	0	1188000	1.35	0	0
9	Shireen Baid	560800	1.27	0	1121600	1.27	0	0
10	Neha Baid	512000	1.16	0	1024000	1.16	0	0
11	Dhruv Baid	180000	0.41	0	360000	0.41	0	0
12	Aaryaman Baid	140000	0.32	0	280000	0.32	0	0
13	Arham Baid	140000	0.32	0	280000	0.32	0	0
14	Bhupendra Raj Mehta	800	0.00	0	1600	0.00	0	0
15	Madhu Kothari	85600	0.19	0	171200	0.19	0	0
16	Vinay Kothari	28000	0.06	0	56000	0.06	0	0
17	Jai Polypan Pvt. Ltd.	1676000	3.80	0	3352000	3.80	0	0
18	VCB Trading Pvt. Ltd.	1820572	4.13	0	3641144	4.13	0	0
	Total	21509276	48.76		43018552	48.76	0	0

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

The change in shareholding of Promoter group of the Company is due to issue of Bonus Share in the ratio 1:1. Further Shri Pankaj Jain has sold his shareholding during the period.

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

SN	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	EZEKIEL GLOBAL BUSINESS SOLUTIONS LLP				
	Opening Balance	0	0	0	0
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	6181593	14.01	6181593	14.01
	Bonus Issue Date March 29, 2017	6181593	---	12363186	14.01
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0	12363186	14.01
	Closing Balance			12363186	14.01
2	ZETTA MATRIX CONSULTING LLP				
	Opening Balance	0	0	0	0
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	4159830	9.43	4159830	9.43
	Bonus Issue Date March 29, 2017	4159830	---	8319660	9.43
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0	8319660	9.43
	Closing Balance			8319660	9.43
3.	MATTHEWS INDIA FUND				
	Opening Balance	2076732	4.71	2076732	4.71
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	0	0	2076732	4.71
	Bonus Issue Date March 29, 2017	2076732	---	4153464	4.71
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	288830	0.65	4153464	4.71
	Closing Balance			4153464	4.71
4	VARUN DAGA				
	Opening Balance	0	0	0	0
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	1558200	3.53	1558200	3.53
	Bonus Issue Date March 29, 2017	1558200	---	3116400	3.53
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0	3116400	3.53
	Closing Balance			3116400	3.53
5	SCG & CO. LLP				
	Opening Balance	0	0	0	0

	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	1540592	3.49	1540592	3.49
	Bonus Issue Date March 29, 2017	1540592	---	3116400	3.49
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0	3116400	3.49
	Closing Balance			3116400	3.49
6	SUSHIL FINANCIAL SERVICES PVT. LTD.				
	Opening Balance	3	0.00	3	0.00
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	1002	0.00	1005	0.00
	Bonus Issue Date March 29, 2017	1005	---	2010	0
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	1958744	2.22	1960754	2.22
	Closing Balance			1960754	2.22
7	SUSHIL FINANCIAL SERVICES PVT. LTD. (CLIENT A/C)				
	Opening Balance	146	0.00	146	0.00
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	100054	0.23	100200	0.23
	Bonus Issue Date March 29, 2017	100200	---	200400	0.23
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	1487756	1.68	1688156	1.91
	Closing Balance			1688156	1.91
8	KJMC FINANCIAL SERVICES LTD.				
	Opening Balance	634895	1.44	634895	1.44
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	(146199)	0.33	488696	1.11
	Bonus Issue Date March 29, 2017	488696	---	977392	1.11
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	977392	1.11
	Closing Balance			977392	1.11
9	PENTAGON BUILDERS PVT. LTD.				
	Opening Balance	322153	0.73	322153	0.73
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	0	0.00	322153	0.73
	Bonus Issue Date March 29, 2017	322153	---	644306	0.73
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	644306	0.73
	Closing Balance			644306	0.73
10	ASHISH KACHOLIA				
	Opening Balance	216864	0.49	216864	0.49
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	41455	0.10	258319	0.59
	Bonus Issue Date March 29, 2017	258319	---	516638	0.59
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	516638	0.59
	Closing Balance			516638	0.59

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 (MD)				
	Opening Balance	4037312	9.15	4037312	9.15
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	0	0.00	4037312	9.15
	Bonus Issue Date March 29, 2017	4037312	---	8074624	9.15
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	8074624	9.15
	Closing Balance			8074624	9.15
2	Rishi Baid (ED)				
	Opening Balance	4913024	11.14	4913024	11.14
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	0	0.00	4913024	11.14
	Bonus Issue Date March 29, 2017	4913024	---	9826048	11.14
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	9826048	11.14
	Closing Balance			9826048	11.14
3.	Devendra Raj Mehta (Chairman)				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	0	0.00	0	0.00
	Bonus Issue Date March 29, 2017	0	---	0	0.00
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0	0	0.00
	Closing Balance			0	0.00
4	Jugal Kishore Baid (Director)				
	Opening Balance	1139688	2.58	1139688	2.58
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	0	0.00	1139688	2.58
	Bonus Issue Date March 29, 2017	1139688	---	2279376	2.58
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	2279376	2.58
	Closing Balance			2279376	2.58
5	Mukulika Baid (Director)				
	Opening Balance	1531200	3.47	1531200	3.47
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	0	0.00	1531200	3.47
	Bonus Issue Date March 29, 2017	1531200	---	3062400	3.47
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	3062400	3.47
	Closing Balance			3062400	3.47

6	Yeshwant Singh Choudhary (Director)				
	Opening Balance	4000	0.01	4000	0.01
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	1764	0.00	2236	0.01
	Bonus Issue Date March 29, 2017	2236	---	4472	0.01
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	4472	0.01
	Closing Balance			4472	0.01
7	Prakash Chand Surana (Director)				
	Opening Balance	10920	0.03	10920	0.03
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	(9871)	0.02	1049	0.00
	Bonus Issue Date March 29, 2017	1049	---	2098	0.00
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	2098	0.00
	Closing Balance			2098	0.00
8	Shailendra Raj Mehta (Director)				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	0	0.00	0	0.00
	Bonus Issue Date March 29, 2017	0	---	0	0.00
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	0	0.00
	Closing Balance			0	0.00
9	Sandeep Bhargava* (Director)				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	0	0.00	0	0.00
	Bonus Issue Date March 29, 2017	0	---	0	0.00
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	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, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	(6280)	0.01	15024	0.03
	Bonus Issue Date March 29, 2017	15024	---	30048	0.03
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	30048	0.03
	Closing Balance			30048	0.03
11	Avinash Chandra (Company Secretary)				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2016 upto Stock Bonus (Record) date i.e. March 28, 2017	0	0.00	0	0.00
	Bonus Issue Date March 29, 2017	0	---	0	0.00
	Transaction Purchase/(Sale) post Bonus (Record) Date upto March 31, 2017	0	0.00	0	0.00
	Closing Balance			0	0.00

*Appointed as Additional Director w.e.f. 25th February, 2017

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,940.07	---	---	7,940.07
ii) Interest due but not paid	30.46	---	---	30.46
iii) Interest accrued but not due	0.29	---	---	0.29
Total (i+ii+iii)	7,970.82	---	---	7,970.82
Change in Indebtedness during the financial year				
* Addition	1,780.67	---	---	1,780.67
* Reduction	---	---	---	---
Net Change	1,780.67	---	---	1,780.67
Indebtedness at the end of the financial year				
i) Principal Amount	9,699.91	---	---	9,699.91
ii) Interest due but not paid	46.17	---	---	46.17
iii) Interest accrued but not due	5.41	---	---	5.41
Total (i+ii+iii)	9,751.49	---	---	9,751.49

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
		Shri Himanshu Baid	Shri Rishi Baid	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,25,67,788	1,20,73,365	2,46,41,153
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,29,844	11,86,667	24,16,511
	(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)	3,42,97,632	3,37,60,032	6,80,57,664
	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	Sandeep Bhargava*	Yeshwant Singh Choudhary	Shailendra Raj Mehta	
1	Independent Directors						
	Fee for attending board committee meetings	2,50,000	1,75,000	NIL	3,00,000	3,00,000	10,25,000
	Commission	7,50,000	7,50,000	NIL	7,50,000	7,50,000	30,00,000
	Others, please specify						
	Total (1)	10,00,000	9,25,000	NIL	10,50,000	10,50,000	40,25,000
2	Other Non-Executive Directors	Jugal Kishore Baid		Mukulika Baid			
	Fee for attending board committee meetings	2,25,000		2,00,000			4,25,000
	Commission	7,50,000		7,50,000			15,00,000
	Others, please specify						
	Total (2)						9,75,000
		9,50,000		19,25,000			
	Total (B)=(1+2)	59,50,000					59,50,000
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors					
	Total Managerial Remuneration (A+B)	7,40,07,664					7,40,07,664

*Appointed as Additional Director w.e.f. 25th February, 2017

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

SN.	Particulars of Remuneration	Key Managerial Personnel		
		J. K. Sancheti Oswal (CFO)	Avinash Chandra (CS)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,02,654	6,14,692	42,17,346
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,47,660	36,259	1,83,919
	(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	37,50,314	6,50,951	44,01,265

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**Secretarial Audit Report**

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 31.03.2017

[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
 New Delhi,

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.

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, 2017, 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:

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, 2017 according to the provisions of:

- 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 financial years 2014-15, 2015-16 and 2016-17. As a result a total of ₹ 77.62 lacs was lying as unspent with the Company, which the Company intends to spend in coming years for 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
 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) Regulation, 2015

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

As we further report that based on review of Compliance mechanism established by the Company and on the basis of Compliance Certificates issued by the Company Secretary, C.F.O and other responsible officers of the Company and taken on record by the Board at their meetings, we are of the opinion that there are adequate systems and processes in place in the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines.

As informed the Company has responded appropriately to notices received from various statutory / regulatory

authorities including initiating actions for corrective measures where found necessary.

For B.K. Sethi & Company

B.K. Sethi
Proprietor
FCS-853/CP-913
New Delhi
dated the 7th August, 2017

Annexure-4

Particulars of Loans, Guarantees or Investments under Section 186

❖ Details of Investments as on 31st March, 2017

S. No.	Name of Company	Relationship	Amount (₹ in Lacs)
1	U.S. Safety Syringes Co. LLC, USA*	Subsidiary	130.33
2	Poly Medicure Limited (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 outstanding during the year ending 31st March, 2017 The Company has no outstanding Loans as on 31st March, 2017.

❖ Details of Guarantees as on 31st March, 2017 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: **08th August, 2016**
- (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: **8th August, 2016**
- (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: **30th July, 2014**
- (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: **3 (Three) Years i.e. FY 2016-17, 2017-18 and 2018-19.**
- (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: **8th August, 2016**
- (f) Amount paid as advances, if any: **No Advance**

For and on behalf of Board of Directors

New Delhi	D. R. Mehta	Himanshu Baid
12th August, 2017	Chairman	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, 2017, 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. 2015-16, 2014-15, 2013-14) calculated in accordance with section 135 of the Companies Act, 2013 is ₹ 7,009.61 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. 2016-17 is ₹ 140.19 Lacs.

5. **Details of CSR spent during the FY**

- (a) Total amount to be spent for the FY = ₹ 140.19 Lacs
- (b) Amount unspent = ₹ 23.58 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	40.00	13.21	13.21	13.21
2	On Promotion of Healthcare	(i)	Promoting healthcare including Preventive Healthcare through awareness programmes	20.00	4.50	4.50	4.50
3	On Promotion of Education	(ii)	Promoting education and employment, enhancing vocation skills	60.00	68.69	68.69	68.69
4	On Welfare for disabled person	(ii)	Employment enhancing vocation skills among children, women and differently abled	30.00	30.20	30.20	30.20
	Total			150.00	116.61	116.61	116.61

* 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 make best efforts 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**

12th August, 2017
New Delhi

D. R. Mehta
Chairman

Himanshu Baid
Managing Director

(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 – 167 :1 – Ratio of the remuneration of Shri Rishi Baid, Executive Director to the median remuneration of the employees – 165 : 1 – Ratio of the remuneration of Shri Jas Karan Sancheti Oswal, CFO – 18 : 1 - Ratio of the remuneration of Shri Avinash Chandra, CS – 3 : 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 – 0.54% – Shri Rishi Baid, ED – 1.08% – Shri Jas Karan Sancheti Oswal, CFO – 14.44 % – Shri Avinash Chandra, CS – 15.52 %
(iii)	Percentage increase in the median remuneration of employees in the financial year	(3.63) %
(iv)	Number of permanent employees on the rolls of company	1,661 Employees
(v)	Affirmation that the remuneration is as per the remuneration policy of the company	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

During the year under review following were the top ten employees in terms of remuneration drawn.

S. No.	Name/ Designation	Age	Qualification & Experience (in Years)	Date of commencement of Employment	Nature of Employment	Remuneration received	Last Employer & Designation Head	%age of Equity share holding	Whether, employee is the relative of other Director(s), if so, name of such Director
1	Shri Vishal Baid President (Corporate Sales Marketing)	43	CA 16 years	01.06.2011	Contractual	42,72,185/-	Self-Employment	3.26 % (includes wife shareholding)	Shri J.K. Baid Smt. Mukulika Baid Shri Himanshu Baid Shri Rishi Baid
2	Shri V.K. Sharma Sr. G.M. (R&D)	58	Diploma in Mechanical (AMIE) 36 years	27.07.2015	Non Contractual	42,17,064/-	FIEM Industries Ltd. as G.M (Co-ordination)	-	NA
3	Shri V.K. Khera Sr. V.P. (Export)	72	B.E. Mech., MSc, and MBA 47 Years	15.06.1998	Non Contractual	31,48,548/-	A. G.Foods Processing , as Plant Head	-	NA
4	Shri Hemant Bhalla V.P (Sales & Marketing)	58	BSc., Dip. in Business Management & Ind. dm.) 36 Years	06.09.2006	Non Contractual	32,59,388/-	Self-Employment	-	NA
5	Shri S.S. Rawat Sr. G.M. (QA)	52	BSc. and MBA 31 Years	06.07.2009	Non Contractual	27,92,929/-	Indswift Ltd, as Senior Manager (QA)	-	NA
6	Shri Sujit Kumar Gupta Sr. G.M. (Export)	43	B Com. C S (Inter) 18 Years	13.09.1999	Non Contractual	30,18,583/-	-	-	NA
7	Shri P.K. Rastogi A.V.P (Finance)	46	CA 22 Years	14.10.2015	Non Contractual	26,44,020/-	Oswal Casting Pvt. Ltd. as AVP (Finance)	-	NA
8	Shri Rakesh Bothra Sr. G.M. (Shipping & Logistics)	47	B.Com. (H), CA (Inter) 26 Years	27.11.2002	Non Contractual	26,18,621/-	BIDM Asia Pacific Systems P. Ltd. as Accounts Manager	-	NA
9	Shri Pankaj Kumar Gupta Sr. G.M. (R&D)	50	BE (Tool Engg.) 28 Years	18.02.2008	Non Contractual	24,60,734/-	Eastern Medikit Ltd., as Manager	-	NA
10	Shri Mukesh Gandhi G.M. (IT)	44	B Com. and MBA 21 years	08.06.2016	Non Contractual	22,63,805/-	DHS Australia, as Business Analyst (SAP)	-	NA

Persons employed for the full year ended March 31st, 2017 who were in receipt of the remuneration which in the aggregate was not less than ₹ 1,02,00,000/- 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	342.98	Electronics Engineer	29	20 th September, 1996	49	Hanuman Tin Factory Manager
2	Shri Rishi Baid	Executive Director	337.60	BSME, MSME	24	1 st August, 1997	45	Miles Pharma Inc. USA Engineer

Persons employed for part of the year ended 31st March, 2017 who were in receipt of the remuneration which in the aggregate was not less than ₹ 8,50,000/- p.m.

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
None								

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.

Annexue-8**MANAGEMENT'S DISCUSSION AND ANALYSIS****Overview of the Healthcare Sector**

India is expected to rank amongst the top three healthcare markets in terms of incremental growth by 2020. In 2015, Indian healthcare sector became the fifth largest employer, both in terms of direct as well as indirect employment, with total direct employment of over 4 million people.

Indian healthcare sector, one of the fastest growing industries, is expected to advance at a CAGR of 22.87 per cent during 2015–20 to reach USD280 billion by 2020. *(Source Deloitte ToucheTohmastu India)*. There is immense scope for enhancing healthcare services penetration in India, thus presenting ample opportunity for development of the healthcare industry.

Rising income levels, ageing population, growing health awareness and changing attitude towards preventive healthcare is expected to boost healthcare services demand in future.

The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research.

World Bank estimates the Indian government's spending on healthcare at ₹ 37,061.55 crores which is 30 percent as compared to China, where the government spending is 56 percent of the total health expenditure. The Out of Pocket Expenses (OPE) in India on healthcare by its citizens is amongst the highest in the world. Emphasizing the need of better healthcare financing, the High-Level Expert Group (HLEG) report on Universal Health Care in India recommended increasing public expenditures on health from 1.2 percent of GDP to at least 2.5 percent by the end of the 12th plan, and to at least 3 percent of GDP by 2022.

Healthcare Infrastructure

Rising prosperity in India has been marked by a "dual disease burden", a continuing rise in communicable diseases and a spurt in non-communicable or "lifestyle" diseases, which accounted for half of all deaths in 2015, up from 42 percent in 2001-03.

India's existing infrastructure is just not enough to cater to the growing demand. While the private sector dominates healthcare delivery across the country, a majority of the

population living below the poverty line (BPL) — the ability to spend ₹ 47 per day in urban areas, ₹ 32 per day in rural areas — continues to rely on the under-financed and short-staffed public sector for its healthcare needs, as a result of which these remain unmet.

Moreover, the majority of healthcare professionals happen to be concentrated in urban areas where consumers have higher paying power, leaving rural areas underserved.

India meets the global average in the number of physicians, but 74 percent of its doctors cater to a third of the urban population, or no more than 442 million people, according to a KPMG report.

India compares unfavorably with China and the US in the number of hospital beds and nurses. The country is 81 percent short of specialists at rural community health centers (CHCs), and the private sector accounts for 63 per cent of hospital beds, according to government health and family welfare statistics.

Healthcare Market Size

The overall Indian Healthcare delivery, which includes hospitals, nursing homes and diagnostics centers, and pharmaceuticals, constitutes 65 per cent of the overall market. The Healthcare Information Technology (IT) market which is valued at US\$ 1 billion currently is expected to grow 1.5 times by 2020.

India requires additional 1.8 million beds to achieve the target of 2 beds per 1,000 people by 2025, indicative of an investment opportunity of US\$ 25-30 billion. Given this demand for capital, the number of transactions in the healthcare space are expected to witness an increase in near future. The average investment size by private equity funds in healthcare chains has already increased to US\$ 20-30 million from US\$ 5-15 million.

Indian medical tourism industry is expected to register a CAGR of more than 20% during 2013-2015. Cost of surgery in India is nearly (1/10)th of the cost in developed countries.

Research & Development - Contract research is a fast growing segment in the Indian healthcare industry. Cost of developing new drug and medical device is as low as 60% of the cost in the USA. About 60% of global clinical trials are outsourced to developing countries.

Indian Medical Device Sector - an overview and growth opportunities

Current global medical technology market is around US\$ 350 Billion. Which is expected to grow 5% annually for next 5-7 years. 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 approx. US\$ 10 billion in 2015 at end consumer prices and is growing at 10-12% per year. Currently the Indian medical devices industry represents just over 2% of the global medical device market.

The Indian Medical devices industry has huge potential to grow to top 5 Medical devices manufacturing hubs globally and also significantly contribute to GDP of the country that will result in fulfilling the government's vision of Healthy India.

The current medical device industry is driven by innovation and new technologies. The advent of engineering innovations have led to the recent development of low cost products that are at par with existing products on quality.

Availability of advanced and sophisticated medical technology is creating new markets & applications, increasing the dependence of doctors on advanced medical devices.

India offers opportunities for players in the medical devices industry. The Country has also become one of the leading destinations for high-end diagnostic services with increased capital investment for advanced diagnostic facilities, thus catering to a greater proportion of population. Besides, the Indian population is becoming more aware towards their healthcare upkeep.

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

Home to one sixth of the global population, the demand and need for healthcare delivery and allied services cannot be understated in India. The cost of bridging the gap of medical facilities and standards in India in line with global averages and norms, is estimated to be at around US\$25 billion in the next few years. While a lot of this investment is proposed to be undertaken in the private sector, a natural offshoot of the healthcare infrastructure growth is a spur in the demand for allied technologies, medical devices, medical equipment and medical consumables which aid in delivery of healthcare.

The medical devices industry is heavily import oriented but shares a common vision to continue providing high-end and proven technology products, at affordable cost.

The removal of existing barriers for growth will ultimately lead to increased investment into the Indian market by domestic and global players alike, whether in the form of local manufacturing, fostering Research & Development and Innovation, partnerships for skill development, among other things.

Some of the major initiatives taken by the Government of India to promote Indian Medical Devices industry are:

- The recent notified "Medical Devices Rules 2017" which will be implemented from January 1, 2018 have eased norms for obtaining license and conducting clinical trials, and also reduced manufacturer-regulator interface by prompting digital platform. These harmonized policies and rules for the medical devices industry encourage local manufacturing and move towards improving affordability for the patients.
- The Government of India plans to set up a single window approval system for innovation in medical research, in order to grant permission/approvals within 30 days from the date of application to Indian innovation projects who have applied for global patent.
- The government's National Innovation Council, which is mandated to provide a platform for collaboration amongst healthcare domain experts, stakeholders and key participants, should encourage a culture of innovation in India and help develop policy on innovations that will focus on an Indian model for inclusive growth.
- Additionally, there has also been an emergence of "frugal innovation" in the private sector — products and business models that offer quality diagnostics and care at a much more affordable price.
- In the Union Budget 2017-18, the overall health budget increased from ₹ 39,879 crore (US\$ 5.96 billion) to ₹ 48,878 crore (US\$ 7.3 billion).
- The new "National Health Policy 2017" approved by the Union government in March 2017, which aims to provide healthcare in an assured manner to all. The policy will strive to address current and emerging challenges arising from the ever-changing socio-economic, technological and epidemiological scenarios.
 - ✓ The government aims in shifting focus from "sick-care" to "wellness", by promoting prevention and well-being.
 - ✓ It intends on gradually increasing public health expenditure to 2.5% of the GDP.

- ✓ It aims to strengthen health systems by ensuring everyone has access to quality services and technology despite financial barriers. The policy proposes increasing access, improving quality and reducing costs.
- ✓ The policy also lists quantitative targets regarding life expectancy, mortality and reduction of disease prevalence in line with the objectives of the policy.

Towards furthering “Make in India”, the private domestic manufacturing industry could be engaged to provide customized indigenous medical devices to the health sector and help in creation of forward and backward linkages for medical device production. The policy also seeks assured purchase by government health facilities from domestic manufacturers, subject to quality standards being met.

Overview

At POLYMED, our pursuit of excellence is a reflection of our commitment to matters closest to our hearts – such as care, concern and love for humanity. While our technologies are truly state – of – the – art, our business model is state – of – the – heart. Innovations, quality standards, product. Everything flows forth from our passion to touch life in a meaningful way.

The Company was conceived and established in 1995 by a group of engineers and technocrats dedicated with a vision of providing highest quality of healthcare to the mankind at affordable price. Now the Company is a well known brand in the Healthcare Industry for providing the highest quality of medical devices at affordable prices in India and abroad, which covers more than 100 countries. The biggest asset is its committed, well trained and technically competent manpower. Currently your Company produces various products under the category i.e. surgery and wound drainage, blood transfusion, vascular access, infusion therapy, Dialysis, diagnostics and pediatrics etc. Research of new products to touch more areas of healthcare are in process under well qualified and dedicated team of engineers of R&D team.

To keep pace with the ever-changing market requirements, Company has a fully staffed and highly equipped R & D section approved by Ministry of Science & Technology, Government of India, to design & develop new and innovative products from design to production in a short span of time using rapid prototyping 3D printer CAD/CAM technology, ultra modern tool room with sophisticated machines like CNC wire cut, EDM and Vertical Machining Center.

Business Certification

Your Company is having manufacturing units in India and abroad through which we cater the demands in global markets with high product standards. The Company secured various certifications from notifying authorities after following the process of proper inspection in order to enable us to manufacture quality products. The Company has DNV Business Assurance Management System Certificate under ISO 13485:2003 / NS-EN ISO 13485:2012 / ISO 9001:2008. The Company has also received the EC CERTIFICATE - FULL QUALITY ASSURANCE SYSTEM for the design, production and final product inspection/testing of Sterile Disposable Medical Devices. Further the Company has received many other certificates which are required for the manufacturing and sale of our products to various countries.

Business Operations and Manufacturing Facilities

Your Company has Manufacturing units at Faridabad (Haryana), Jaipur (Rajasthan) and Haridwar (Uttarakhand). In Faridabad the Company has manufacturing unit since 1995, later the Company expanded its manufacturing units to other locations in Faridabad. Now the Company is investing in a new manufacturing unit in IMT, Faridabad. Production is expected to start within F.Y. 2017-18. Now, the total manufacturing area across all our plants is approximately 4,00,000 Sq. ft. which includes approx. 1,00,000 Sq. ft. of class 1,00,000 to class 1000 clean rooms. Knowledge and Skill of production team is being enhanced by imparting regular trainings on Six Sigma, Quality Circles, FMEA, Kaizen, Poka Yoke techniques for improving process capabilities and consistency in quality of products. 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 more than 125 products. Company strives hard to establish new standards with new products and win new customers around the world with professionalism, reputation and high Quality Standards. Further the company also has its manufacturing facilities in China and Egypt(JV).

Manufacturing Process & Technology

We have been continuously upgrading our manufacturing process and technology. We are using most advanced production machines and cutting edge technology to manufacture medical devices under clean room conditions. The utilization of these automated equipments and technology reasonably leads to bring the cost per part to the lowest possible level with desired design and characteristics. The use of these advance systems has resulted in consistency in quality.

Mass production technologies are used to optimize manufacturing costs. Company has invested heavily in new manufacturing technologies like over molding, residue free bonding, solvent free joining and assembly technologies.

We have invested in Automating our manufacturing processes and production lines to the core by deploying additive manufacturing and robotics. We will also promote their adoption across different verticals.

Most of the processes and core technologies have been developed in house with the help of our strong development resources, we have been continuously developing the newer technologies since our inception.

In the recent past these activities have intensified with increased focus on development of new products and processes, which result in waste reduction and consistency.

Process control is an integral part of our manufacturing culture, recently company has been focusing deeply on use of Lean manufacturing, Six sigma with DMAIC and DFSS approach. Use of statistical tools has resulted in considerable reduction in waste and these advance control tools have helped in maintaining robust manufacturing processes across all our plants and production lines.

Company has an excellent track record in the field of Innovation, we have registered numerous patents by developing unique product functionality, design and processes.

Products Segments

Currently Company has many product segments under which more than 125 products have been introduced globally. The main product segments of the company are:-

INFUSION THERAPY & VASCULAR ACCESS
 CENTRAL VENOUS ACCESS / VASCULAR ACCESS
 ANAESTHESIA
 UROLOGY
 GASTROENTEROLOGY
 BLOOD TRANSFUSION & BLOOD COLLECTION SYSTEMS
 SURGERY AND WOUND DRAINAGE
 DIALYSIS
 DIAGNOSTICS

The Company is introducing new products in Gastrology, Oncology, Nephrology and Respiratory care. In the coming years Diethylhexyl-Phthalate (DEHP) & polyvinyl chloride

(PVC) free range of products will be added in the portfolio which will provide better safety to patients.

Production Process

We manufacture our products using state of art technology in ultra modern facilities. Tool Room with modern facilities supports the manufacturing processes. A high degree of Automation and an effective process control helps in delivering consistent product quality. Today it has grown into one of the most dynamically versatile manufacturer of medical devices globally with over 125 different products.

Our Quality systems encompasses comprehensive and exhaustive series of physical, chemical, biological and microbiological tests and inspection at different stages in the manufacturing cycles, beginning with constant surveillance of raw materials and its suppliers; intensive in-process control of all manufactured components and sub-assemblies to the final inspection and testing of the finished products.

Research and Development

R&D in POLYMED is necessary to keep pace with the technological developments and have competitive edge in the current business scenario. R&D is not only responsible for adding new innovative products in our Product portfolio but to also improve and innovate the existing ones. Company consider R&D as a valuable tool for growing and improving the business and key to the long-term business sustainability.

As a part of development process, R&D interfaces with marketing team to conduct research and to understand the requirements of the consumers and create products with new features. R&D also works on improving the materials & processes important to product quality. With a small beginning in 2004, the current R&D team includes over 50 Engineers and technicians. Wide range of softwares and world class machines assist in R&D activities.

Recently a new R&D facility at Faridabad has been established.

Followings are some of the key features of our R&D activities.

1. Over 50 Engineers and technicians.
2. Activities span over Product designing, Tool Designing, Prototyping, Standard Room and Tooling Room.
3. Approved by Ministry of Science & Technology, Government of India.
4. Performing pre-activities like Feasibility Studies.

5. Established quality norms through bench marking and IPR studies.
6. Designing and balancing of Process flow.
7. Performing design reviews and analysis
8. Work on creating new products, developing process capabilities, improving quality, and enhancing productivity.
9. Maintaining and enhancing the IPR strength of the organization.
10. Launching new products.

Following is the infra-structural strength to perform its activities

1. Software: Wide range of product development CAD softwares.
2. Top of the line Analysis software 'Mold Flow' to analyze plastic flow in the molding tools to investigate problems and address them at early stage in the product development.
3. CNC machines to improve the new Tool Building capabilities.

Our R&D (Research & Development) plays a very important role in the success of our business. R&D contributes to sustainability of the business. The R&D function 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.

Sales and marketing network

In Quest of making strong foothold in India, the strategy is to create dedicated team and focus each specialty wise i.e. Infusion Therapy, Transfusion System, Renal Care and Diagnostics products.

Focus is on to add Clinical expertise, to market the product and influence Key Opinion Leaders. In Service Programmes would be on forefront to create awareness in over 4,000 private and government hospitals currently covered, and to accelerate the penetration of products in key hospitals.

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 ₹ 42,052.31 lacs in fiscal 2016 to ₹ 46,637.85 lacs in fiscal 2017 primarily due to growth in our revenue from operations, for reasons described below.

Revenue from Operations

Gross revenue from operations increased from ₹ 41,793.32 lacs in fiscal 2016 to ₹ 46,214.43 lacs in fiscal 2017 and our net revenue from operations increased by from ₹ 41,225.72 lacs in fiscal 2016 to ₹ 45,528.96 lacs in fiscal 2017, which was primarily due to increased sales of our products.

Sale of products, net of excise duty, increased from ₹ 41,317.56 lacs in fiscal 2016 to ₹ 45,464.85 lacs in fiscal 2017 (which constituted sale of manufactured goods of ₹ 44,861.40 lacs and sale of traded goods of ₹ 603.45 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 increased from ₹ 475.76 lacs in fiscal 2016 to ₹ 749.58 lacs in fiscal 2017.

Other Income

Other income increased from ₹ 826.59 lacs in fiscal 2016 to ₹ 1,108.89 lacs in fiscal 2017 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 increased by ₹ 33,215.72 lacs in fiscal 2016 to ₹ 37,060.28 lacs in fiscal 2017.

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

Cost of raw materials including packing materials consumed (which includes plastic granules, PVC sheets, boxes, medical paper and film) and purchase of stock-in-trade increased from ₹ 14,767.79 lacs in fiscal 2016 to ₹ 15,634.79 lacs in fiscal 2017 due to increased production.

Employee Benefit Expenses

Employee benefit expenses increased from ₹ 7,477.49 lacs in fiscal 2016 to ₹ 8,746.10 lacs in fiscal 2017, primarily due to an increase in the salaries, wages and bonus, and on account of increase in the number of full time employees from 1,594 as on March 31, 2016 to 1,661 as on March 31, 2017.

Research and development expenses

Research and development expenses increased from ₹ 871.13 lacs in fiscal 2016 to ₹ 903.38 lacs in fiscal 2017, primarily on account of increase in employee benefits expenses for research and development, which increased from ₹ 244.62 lacs in fiscal 2016 to ₹ 304.16 lacs in fiscal 2017. As a percentage of our total revenue, research and development expenses decreased from 2.04% in fiscal 2016 to 1.91 % in fiscal 2017.

Other Expenses

Other expenses increased from ₹ 9,510.68 lacs in fiscal 2016 to ₹ 11,380.21 lacs in fiscal 2017, primarily on account of increase in job work charges, power and fuel expenses and other manufacturing expenses.

Earnings before interest, tax, depreciation and amortization.

Our EBITDA increased from ₹ 9,404.19 lacs in fiscal 2016 to ₹ 10,263.04 lacs in fiscal 2017.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased from ₹ 2,102.89 lacs in fiscal 2016, to ₹ 2,368.96 lacs in fiscal 2017, 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 ₹ 797.14 lacs in fiscal 2016, to ₹ 723.16 lacs in fiscal 2017, primarily on account of decrease in borrowings.

Profit Before Tax

Our profit before tax increased from ₹ 6,504.16 lacs in fiscal 2016 to ₹ 7,170.92 lacs in fiscal 2017.

Tax Expenses

Tax expenses increased from ₹ 1,756.87 lacs in fiscal 2016 (which consisted of current tax of ₹ 1,604.33 lacs, tax adjustment for earlier years of (₹ 2.35) lacs, deferred tax of ₹ 154.89 lacs) to ₹ 1,997.70 lacs in fiscal 2017 (which consisted of current tax of ₹ 1,760.00 lacs, tax adjustment for earlier years (net) of (₹ 52.56) lacs and deferred tax of ₹ 290.26 lacs) primarily due to an increase in the profit for fiscal 2017.

Profit for the Year

For the various reasons discussed above, profit for the year increased from ₹ 4,747.29 lacs in fiscal 2016 to ₹ 5,173.22 lacs in fiscal 2017.

Share of profit from associates

Share of profit from our associate Ultra for Medical Products Egypt, decreased from ₹ 79.50 lacs in fiscal 2016 to ₹ 58.71 lacs in fiscal 2017.

Net profit for the year

For the various reasons discussed above, net profit for the year increased from ₹ 4826.79 lacs in fiscal 2016 to ₹ 5,231.93 lacs in fiscal 2017.

Risks Management

The Company has a Risk Management Policy, which lays out the Strategies and methodology to decide on risk taking ability of the organization. The Company constantly reviews its exposure to various types of risks, whether its regulatory, operational, environmental, financial or political. The Company has in place adequate systems to ensure compliance with all regulatory and statutory matters, reviews the same on a periodic basis and takes appropriate corrective actions whenever necessary. Operationally, your Company does not depend on a single vendor for any of its major raw materials. It has in place a well-defined practice on the levels of inventory that need to be maintained ensuring customers serviceability & minimal stock holdings together with a readily documented practice where credit risks are analyzed prior to taking exposures with all stakeholders.

Extreme volatility of exchange rate of rupee against US dollar can have significant impact on the Company's operations because approximately 70% of its total revenues consists of exports. However, the Company has a policy of hedging its foreign currency exposures to mitigate the risk of volatility of exchange rate.

Internal Control System & Adequacy

Internal controls encompass a set of rules, policies and procedures to provide reasonable assurance for achievement of an Organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. Internal control systems is designed to commensurate with the size and nature of its operations and to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. 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 2016-17 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 2016-17 are provided in Note 30 to the Financial Statements.

Opportunity

Home to one sixth of the global population, the demand and need for healthcare delivery and allied services cannot be understated in India. The cost of bridging the gap for medical facilities (especially public infrastructure) and standards in India in line with global averages and norms, is estimated to be at around US\$ 25 billion in the next few years. While a lot of this investment is proposed to be undertaken in the private sector, a natural offshoot of the healthcare infrastructure growth, a spur in the demand for allied technologies, medical devices, medical equipment and medical consumables will aid in the delivery of quality healthcare (together referred to as 'medical technology' or 'medtech').

The industry currently is heavily import dependent but shares a common vision to continue providing high-end and proven technology products, at affordable cost. The removal of existing barriers for growth will ultimately lead to increased investment into the Indian market by domestic and global players alike, whether in the form of local manufacturing, fostering, R&D and innovation, partnerships for skill development, among other things.

Multiple discussion forums of Industry & Government and consultative interactions for seeking inputs on the Medical Devices Policy, permitting FDI in the sector through a landmark announcement, reversing the inverted duty structure to encourage local manufacturers, extending the SUGAM portal to medical devices by the CDSCO are some of the measures which were aimed at creating a visibility for the medical technology /devices industry.

To gradually transition from an import dependent to an export oriented sector, we need to prepare and develop our Ecosystem.

Basic customs duty was reduced to 2.5 percent on some raw materials & parts needed to manufacture medical devices to support local manufacturing.

Manufacturing costs of medical devices is largely not a factor of where the product has been manufactured but is essentially a factor of 'scale'. High volume products, which provide economies of scale, are more advantageous and cost effective when manufactured in India.

India has a complex healthcare delivery system where there is a huge gap of quality and service between a tertiary care provider and a primary health center, and also between public and private hospitals. The higher we go up in the value chain of technology, the further we will be able to penetrate the market.

A key agenda in the proposed NMDP (National Medical Development Programme) is to develop medical device parks, knowledge networks with industry partners, set up skill development committee, incubation centers, promote local manufacturing.

Human Resources

People drive business agenda. Best in class People & processes support the team in achieving organization's vision and take the organization to the next level. 'Human Resources' is the function that focuses on the Recruitment, Orientation, Training & Development, Performance Management and Employee Engagement activities. These activities provide necessary direction and enable people to deliver desired results.

Recruitment and selection is an important process and includes sourcing, screening and selecting potential and qualified candidates based on job description of a particular job. By using modern & latest social media recruitment

sources, Referrals, campus recruitments & job portals, your Company is recruiting best talents for the organization. Your Company is also focusing on organization branding and image building activities by posting Polymed Talent speaks video on the various social sites, which will help us in attracting the best talents and make them part of company's growth.

Your Company has designed intensive orientation program for the new employees. This is the fundamental step to help new employees to adjust himself/herself with the new job. Employee orientation program includes the mission & vision of the organization, company product knowledge, introduction with management, sharing company's history/ growth, its different locations, policies and how the employee can help to achieve the long-term and short-term goals of the organization.

Human resource department provides good working conditions to the employee so that they remain satisfied with the workplace and the working environment; which in turn promotes the job satisfaction among employees. The Company is doing Employee engagement activities like sports events, health checkup camps and health talks sessions etc., which ensures good health of the employees and nurture a feeling of conducive working environment. The Company is maintaining good relationships with employees at all levels. It helps in fostering right behaviors and work deliveries. The Company has different communication platforms wherein employees come and share their feedbacks.

Regular In-house Training programs, improve performance of the employee's by increasing their ability, skills and knowledge.

Insurance

Businesses face many risks. The Company requires insurance coverage that is specifically designed to protect its business from liabilities and various other risks. Your Company has many insurance policies from reputed insurance providers that cover major risks that may arise due to the nature of our business. Property insurance is a must, accordingly Company has the policy that covers Building, Machinery & Equipments, Inventory and other assets at all plants. Further, the Company has the standard fire and special peril insurance policies for all the manufacturing facilities of the Company. Although our Company takes every measure possible to make sure its products are safe, but to mitigate the risk of product failure, the Company carries a product Liability Insurance that covers major risks that may arise due

to the nature of products. Your Company also has Marine Cargo Policy, to cover Export products. A separate policy is also there for the vehicles and transportation of goods in the local markets in India.

Company also carries group mediclaim policy that covers the health concerns of our employees. The Company also carries the group personal accident policy. Further the Company fulfills all the parameters and precautions which are necessary for the Business to prevent different kind of risks in the business.

Our Strengths

The Company today has many manufacturing facilities with automated production lines, Strong and skilled R&D department, goal oriented sales and marketing team, High quality of products, harmonized and long relations with customers and a growing revenue base each year. This was made possible through its commitment of manufacturing high quality products at affordable prices.

Our Key Strengths are:-

- Dedicated team to address Company needs & drive value creation.
- Ability to build capability in Regulated Markets.
- Deep Regional connectivity with all stakeholders.
- Established Track Record of Products and market expansion.
- Strong presence across Infusion therapy and Blood Transfusion products.
- Increased presence across all large Hospitals across India.
- "Polymed" Brand is a recognized brand for quality products.
- Expanding business into key focused therapeutic areas to increase share of wallet from existing customers.
- Deep and wide stakeholder relationships.

Strong research and development capabilities:

The Company has strong in-house research and development capability enabling it to develop an innovative and diversified product offering. Research and development efforts are primarily focused on developing new products within our existing product verticals, as well as introducing new product verticals and further improving existing processes and productivity. As a result of our intensive research and development activities, we have successfully been granted

over 150 products and process patents and have also filed for grant of an additional over 400 patents in India and world over.

We operate a research and development centre located at Faridabad, Haryana with a team of over 50 Engineers and technicians. Our research and development centre is approved by the DSIR and it is equipped to undertake rapid prototyping using 3D printers, process validation and customization of products.

Robust manufacturing capabilities:

Our manufacturing process capabilities include injection molding, extrusion, insert molding, blow molding, ultrasonic welding, ultra-violet bonding and laser welding. We employ highly experienced and skilled workforce at our manufacturing facilities which include over 150 engineers. We believe our flexible production platform, broad machining capabilities and Design for Manufacturing ("DFM") best practices enable us to manufacture a wide range of products and meet changing conditions with efficiency while ensuring high quality products and increase in production volume.

The Company has a competitive advantage due to its robust manufacturing capabilities that enables it to manufacture quality products for supply in Indian and international markets.

Wide geographic reach through our extensive sales and distribution network:

The Company supplies its products to over 100 countries including Europe, south-east Asia, the Middle East, Americas and Africa, distributing through a network of approximately over 200 distributors. Approximately 70% of our total revenues are attributable to export of our products. The Company has a country-wide sales and distribution network in India which enables it to have a wide market base.

In addition to the distribution network, the sales division comprising of over 200 employees and is involved in creating awareness of our products in over 4,000 private and government hospitals & nursing homes, by conducting continuing medical education programmes.

Experienced management team and skilled employee base

The Company has a highly skilled workforce of approximately 1,661 employees. Our business operations are led by an experienced and qualified management team. Our Promoter Directors, Shri Himanshu Baid and Shri Rishi Baid are qualified engineers and have over 20 years of experience in

the disposable medical devices business. Getting the right mix of people to complement and reinforce your business is essential. Having an effective management team helps to create a more efficient and capable business. The rapport within a team is very important and can add further value beyond the individual talents and skills of each employee.

The Company is committed to offering highest quality product to the Medical fraternity and selling its product in more than 100 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 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 Financial Year 2017-18, with all statutory approvals. This will significantly broaden our existing manufacturing facilities to tap on new market opportunities. This will also enhance our offerings in the medical devices sector.

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

Our strategy for the domestic market includes vast product awareness and training campaigns by our existing 200+ sales team by conducting medical education programs in key hospitals across the Country.

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

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

- Reduction in sales order processing costs.
- Savings due to access to real-time transaction information by all authorized users (visibility),
- Reduced request-to-quote time.
- Reduced order-to-delivery time.
- Reduced delivery-to-invoice time.
- Reduction (of DSO) achieved through faster order-to-

cash time.

- Fewer stock outages occur because there are more reliable material buying processes/ procedures in place.
- 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 as well as international markets.

Competition

The medical device industry is subject to rapid technology and regulatory changes, and we face significant competition across our product lines and in each market in which our products are sold. We face this competition from a wide range of companies. These include large medical device companies, some of which may have greater financial and marketing resources than us. We also face competition from firms that are more specialized than us with respect to particular products. Non-medical device companies, including pharmaceutical companies, also offer or are

attempting to develop alternative therapies for diseases that may be cured without a medical device.

We are continuously upgrading our production lines and skills to manage increasing complex technologies, high quality and regulatory challenges.

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 securities laws and regulations and futuristic in nature. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country and other factors which are material to the business operations of the Company. Investors, therefore, are requested to make their own independent judgments before taking any investment decisions.

Annexure-9

A. CONSERVATION OF ENERGY

We strongly feel towards our responsibility and contribution to preserve our environment.

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. Use of higher cavitation molds which can provide same output with lesser energy consumption
- iv. Use of gravity feeds in place of mechanized and motorized feeds
- v. Replacement of conventional lamps/lights with LED lamps/lights
- vi. DG Set voltage optimization and power factor improvements
- vii. Cycle time reduction in various manufacturing processes through introduction of new technology and kaizens
- viii. Energy conservation drive at all Plants and rationalization of manufacturing cycle times
- ix. Air audit conducted time to time to plug air leakages on all electric molding machines
- x. Replacing the inefficient machines and systems with more efficient equipment
- xi. Installed solar panels as our commitment to promote the use of renewed energy sources

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

- i. Purchasing of power from open access at Faridabad location instead of running DG resulting in diesel consumption reduction and cost savings
- ii. Installation of energy efficient Chillers to reduce energy consumption

- iii. Replacement of inefficient saving pumps with energy saving pumps
- iv. Replacement of motors with energy efficient motors
- v. Synchronization of DG panel for optimization of DG sets to reduce diesel costs
- vi. Standardizing the production lines
- vii. Use of high efficiency molds and reducing the wastage

- 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, 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	2016-17	2015-16
(a)	Foreign Exchange Used	14,938.17	13,345.58
(b)	Foreign Exchange Earned	28,326.53	26,415.86

FORM-A

Form for disclosure of particulars with respect to conservation of energy

	PARTICULARS	31.03.2017	31.03.2016
A.	POWER AND FUEL CONSUMPTION		
1.	Electricity:		
a)	Purchased Unit (Kwh)	19,095,678	15,766,994
	Total Amount (₹ in lac)	1,430.52	1,251.99
	Rate/Unit (₹)	7.49	7.94
b)	Own Generation:		
i)	Through Diesel Generator		
	Units Generated (Kwh)	758,681	1,188,396
	Units per liter of Diesel Oil	3.02	3.46
	Cost per unit (₹)	18.09	14.43
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)	251,288	343,697
	Total Cost (₹ in lac)	137.22	171.47
	Average Rate (₹/K. Ltrs)	54,608	49,890
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)	5,009.75	4,109.46
	Electricity (Kwh) per Lac Nos.	3,963.14	4,125.94
	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 design, processes and products
- Development of new techniques in making process improvements
- Carrying out ongoing research
- Development of lighter parts of Medical devices and reduce cycle time of molds to make the products cost effective
- Development of complex designs of components for Medical devices
- Quality up gradation of existing medical devices
- Optimization of products and processes to minimize waste generation and 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 development

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 R&D team
- Faster Commercialization of new products
- Strengthening the Research Infrastructure and capabilities and partnering with academic institutions

- 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
- Enhance National and International Research networking and strategic alliances.

(₹ in Lacs)

	Expenditure on Research & Development	Year Ended 31.03.2017	Year Ended 31.03.2016
(a)	Capital	490.36	48.01
(b)	Revenue	903.38	871.13
	Total	1,393.74	919.14
	Total Research and Development Expenditure as percentage of total turnover.	3.17%	2.33%

i. Technology Absorption, Adaption and Innovation Efforts in brief made towards technology absorption, adaption and innovation:

The Company's Research and Development division is continuously engaged in Research and Development of new & existing products and processes. The Company has also developed indigenous technologies and testing of products. It is the philosophy of the Company to continuously upgrade the technology and products in accordance with global standards.

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, cost reduction and cost competitiveness. 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.	
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.	No Imported Technology

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 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. The Company has 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 provides an overview of the operations of the Company and familiarises 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, 2017, the Company has nine Directors of which, seven are Non-executive Directors including five 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, 2017 for which confirmations have been obtained from the Directors. Chairmanships/ Memberships of the Board committees include only Audit Committee and Stakeholders' Relationship Committee.

Shri Devendra Raj Mehta

Shri Devendra Raj Mehta, aged 80 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 46 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.

Shri Jugal Kishore Baid

Shri Jugal Kishore Baid, aged 75 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 48 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 "Polycon". He has been associated with our Company since incorporation.

Smt. Mukulika Baid

Smt. Mukulika Baid, aged 67 years, is a non-executive Director of the Company. She holds a bachelor's degree in arts from Jodhpur National University. She has 17 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.

Shri Yeshwant Singh Choudhary

Shri Yeshwant Singh Choudhary, aged 74 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 47 years experience in project planning and implementation and financial management. He has been a Director on the Board since February 17, 1997.

Shri Prakash Chand Surana

Shri Prakash Chand Surana, aged 70 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 42 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 58 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 27 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 was the vice chancellor of Ahmedabad University. He is currently the President, Director and Distinguished Professor for Innovation and Entrepreneurship at MICA (institute) - The School of Ideas., Gujarat. He has been on the Board of the Company since May 28, 2012.

Shri Himanshu Baid

Shri Himanshu Baid, aged 49 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 20 years of experience in manufacturing, sales and marketing disposable medical devices. He has been associated with the Company since incorporation.

Shri Rishi Baid

Shri Rishi Baid, aged 45 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 20 years of experience in manufacturing, operations and R&D of disposable medical devices. He has been associated with the Company since incorporation.

Dr. Sandeep Bhargava

Dr. Sandeep Bhargava, aged 49 years, is an Additional Director of Our Company. He holds a bachelor degree as MBBS and Post Graduation Degree as MD. He was a Senior Consultant in Gastroenterology, Hepatology and Interventional Endoscopy Indraprastha Apollo Hospitals, New Delhi. He was also Staff Gastroenterologist and

Hepatologist, Lourdes Medical Associates, Cherry Hill, USA. He has around 26 years of experience in medical field in India and abroad. He has worked as Clinical Instructor in Medicine and Gastroenterology, at Rhode Island Hospital, USA. He has also worked as Clinical Instructor in Gastroenterology / Hepatology / Liver Transplantation at Columbia University, New York. He has worked as Assistant Professor of Medicine, at Saint Peters University Hospital, USA. Apart from this he is also guest faculty at various medical institutions in India and abroad and writer of various books on medical Sciences. He has been associated with our Company since 25.02.2017.

Number of Board Meetings

During the financial year ending 31st March 2017, the Board of Directors met four times on 13th May, 2016, 8th August, 2016, 9th November, 2016, and 6th February, 2017. 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 31st March, 2017
Shri D.R. Mehta (DIN: 01067895)	Non Executive Independent Director	4/4	Yes	9	6	4	NIL
Shri J.K. Baid (DIN: 00077347)	Non-Executive Director	4/4	Yes	1	1	-	22,79,376
Shri P.C. Surana (DIN: 00361485)	Non-Executive Independent Director	2/4	Yes	3	-	2	2,098
Shri Y.S. Choudhary (DIN: 00006906)	Non-Executive Independent Director	3/4	Yes	-	1	-	4,472
Dr. S.R. Mehta (DIN: 02132246)	Non-Executive Independent Director	4/4	Yes	2	2	-	NIL
Shri Himanshu Baid (DIN: 00014008)	Managing Director	4/4	Yes	7	1	1	80,74,624
Shri Rishi Baid (DIN: 00048585)	Executive Director	3/4	Yes	4	1	-	98,26,048
Smt. Mukulika Baid (DIN:02900103)	Non-Executive Director	4/4	Yes	-	-	-	30,62,400
Dr. Sandeep Bhargava (DIN:07736003)#	Non-Executive Director	0/4	No	-	-	-	NIL

*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. Sandeep Bhargava appointed as additional director w.e.f. 25th February, 2017.

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 Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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:

- i. Annual Operating plans and budgets and updates.
- ii. Quarterly results and performance of various units/divisions, subsidiaries and joint venture companies.
- iii. Minutes of the meeting of all the committees.
- iv. Minutes of Meetings of the Board of the subsidiaries
- v. Materially important litigations, show cause, demand, prosecution and penalty notices.
- vi. Details of Joint Ventures, acquisition of companies or Collaboration Agreement.

- vii. 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 regulation 18 of SEBI (Listing

- Obligations and Disclosure Requirements) Regulation, 2015 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 27, 2016 and was attended by Shri Prakash Chand Surana, 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 (₹)
Shri P.C. Surana	Independent Director/ Chairman	2/4	50,000
Shri Y.S. Choudhary	Independent Director	3/4	75,000
Dr. Shailendra Raj Mehta	Independent Director	4/4	1,00,000

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 13, 2016; August 8, 2016; November 9, 2016 and February 6, 2017

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/Chairman
Shri. D. R. Mehta	Independent Director
Shri P.C. Surana	Independent Director

During the year, under review, a meeting of Nomination and Remuneration Committee was held on the 25th February, 2017.

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 ₹ 50,000/- by way of sitting fee for attending each meeting of the Board of Directors and a sum of ₹ 25,000/- sitting fee for attending Committees meeting thereof.

Details of the sitting fees, commission and salary paid to all the Directors for the year ended on 31 March, 2017 are given hereunder:

(In ₹ lacs)

Name of the Member	Salary	Commission	Sitting Fees	Total
Shri D.R. Mehta	-	7.50	2.50	10.00
Shri J.K. Baid	-	7.50	2.25	9.75
Smt. Mukulika Baid	-	7.50	2.00	9.50
Shri Y.S. Choudhary	-	7.50	3.00	10.50
Shri P.C. Surana	-	7.50	1.75	9.25
Dr. S.R. Mehta	-	7.50	3.00	10.50
Dr. Sandeep Bhargava	-	-	-	-
Shri Himanshu Baid	137.98*	205.00	-	342.98
Shri Rishi Baid	132.60*	205.00	-	337.60

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

INDEPENDENT DIRECTOR MEETING

During the year under review, the independent Directors met on May 13, 2016, 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 (₹)
Shri Prakash Chand Surana	Independent Director/ Chairman	1/1	25,000
Shri Himanshu Baid	Managing Director/ Member	1/1	Nil
Shri Rishi Baid	Executive Director/ Member	1/1	Nil

During the year, under review, a meeting of Stakeholders Relationship Committee was held on the 8th August, 2016.

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 2016-17 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, 2017.

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 13th May, 2016.

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 2013-14, FY 2014-15 and FY 2015-16 are as follows:

Meeting	Date and Time	Venue
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.
21 st AGM	Tuesday, 27 September, 2016 at 10:00 a.m.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi, 110016.

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.

21st AGM held on 27 September, 2016

- To approve ESOP Scheme 2016
- To approve for entering into a Sales Contract with M/s. Vitromed Healthcare, Jaipur.
- To approve for entering into a Sales Contract with M/s. Vitromed Healthcare, Jaipur.
- To approve for entering into a Sales Contract with M/s. Ultra For Medical Products, Egypt.

Ordinary/Special Resolution passed in Extra-Ordinary General Meeting held during the year 2016-17 through Postal Ballot

16th March, 2017

- Approval for Increase in Authorize Share Capital of the Company and consequent alteration in the Memorandum of Association of the Company.
- Capitalization of Reserves for Issue of Bonus Share

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 complied 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 disclosed 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 "Mint" and "Financial Express" (English, All Editions) and "Hari Bhoomi" (Hindi, Daily), 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	Thursday, 28th Day of September, 2017 at 10 a.m. at NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi- 110016
CIN No.	L40300DL1995PLC066923
Financial Year	1 April, 2016 to 31 March, 2017
Date of Book Closure	22nd September, 2017 to 28th September, 2017 (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, IIInd 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.
Plants 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 Shri 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, IIIrd 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

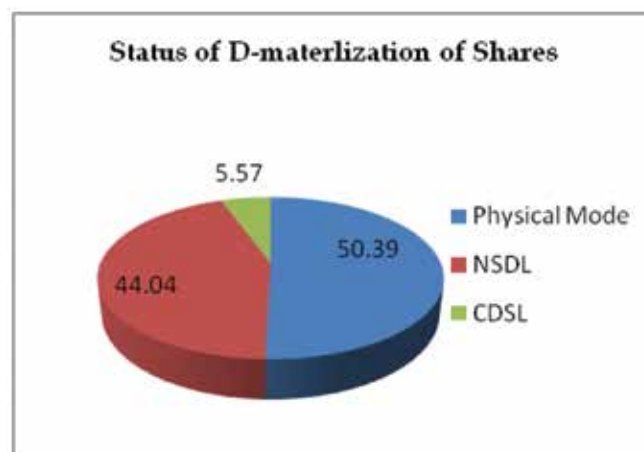
Physical Share Transfer System

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, 2017 are as under:

Mode	No. of Shares	%age (Percentage)
Physical Mode	4,44,61,436	50.39
NSDL	3,88,51,361	44.04
CDSL	49,14,083	5.57
Total	8,82,26,880	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	Phirozee Jeejeebhoy Towers, 17th Floor, Dalal Street, Fort, Mumbai-400001, Telephone 91-22-22723333, E-mail: investor@cdslindia.com, Website: www.cdslindia.com.

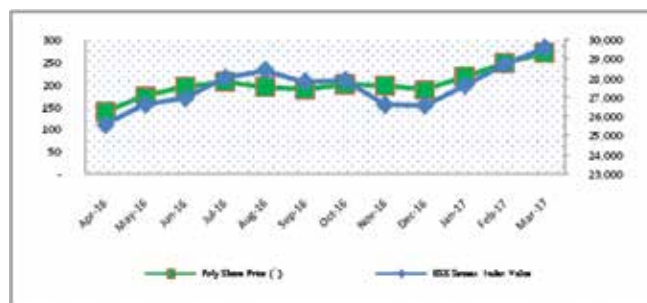
Listed on Stock Exchange(s)

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

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

Month	BSE (In ₹)		NSE (In ₹)	
	High	Low Price	High Price	Low Prices
Apr-16	159.00	138.50	152.23	136.53
May-16	182.50	130.10	184.00	130.65
Jun-16	199.05	169.00	199.88	168.60
Jul-16	220.00	195.00	222.00	192.78
Aug-16	215.00	193.55	217.40	195.03
Sep-16	205.90	182.75	209.45	177.80
Oct-16	214.45	185.00	213.40	185.13
Nov-16	210.00	174.48	213.50	172.25
Dec-16	201.98	185.00	204.88	183.00
Jan-17	224.38	187.05	224.50	186.50
Feb-17	270.93	221.55	270.00	221.00
Mar-17	316.45	216.10	316.58	215.25

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

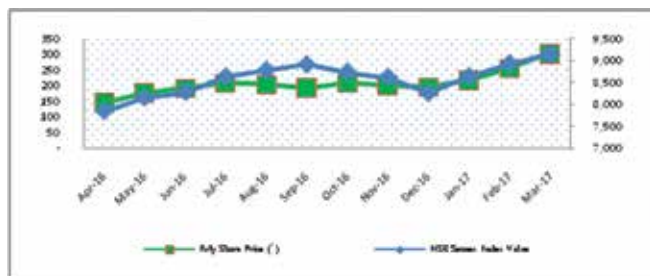


Distribution of Shareholding of Poly Medicure Limited as on 31st March, 2017

Nominal value of each Share ₹5 each.

No of share holders	% to Total	Shareholding of nominal value of (in ₹)	No of Shares	% to Total
4405	79.699	1 to 5000	454220	0.515
398	7.201	5001 to 10000	300732	0.341
243	4.397	10001 to 20000	375942	0.426
76	1.375	20001 to 30000	188478	0.214
78	1.411	30001 to 40000	281134	0.319
39	0.706	40001 to 50000	178228	0.202
130	2.352	50001 to 100000	941522	1.067
158	2.859	100001 and above	85506624	96.917
5,527	100.00	Total	88226880	100.00

Particulars	No.	No. of Shares	% age
(A) Shareholding of Promoter and Promoter group			
1. Indian	16	4,27,91,352	48.50
2. Foreign	2	2,27,200	0.26
Total Shareholdings of Promoter and Promoter Group	18	4,30,18,552	48.76
(B) Public Shareholding			
1. Institution	16	52,39,584	5.94
2. Non Institution	5,492	3,99,68,744	45.30
Total Public Shareholding	5,508	4,52,08,328	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)	5,526	8,82,26,880	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, 2016 to 31st March, 2017. The declaration received from Shri Himanshu Baid, Managing Director, in this regard is also given in this report.

New Delhi	D. R. Mehta	Himanshu Baid
12th August, 2017	Chairman	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, 2017 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, 2017, 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
12th August, 2017

Hlmanshu Baid
Managing Director

J. K. Oswal
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
12th August, 2017

Himanshu Baid
CEO/Managing Director

Certificate on Corporate Governance

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, 2017, as stipulated in:

- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from 1st April, 2016 to 31st March, 2017 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 April, 2016 to 31st March, 2017.

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. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. 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 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 period of applicability as specified under paragraph 1 above, during the year ended 31st March, 2017.

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

New Delhi
12th August, 2017

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

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 31st March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of 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 and presentation 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 standalone 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 31st March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, 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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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 standalone financial statements – Refer Note 26 to the standalone 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.
 - IV. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management-Refer note 31 to the standalone financial statements.

For Doogar & Associates
 Chartered Accountants
 Firm's registration number: 000561N

M.S Agarwal

Partner

Place: New Delhi

Date: 10th May 2017

Membership number: 086580

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, 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.
- (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) According to the information and explanation given to us, during the year the company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013. The outstanding loan as at 01.04.2016 have been received during the year and there are no outstanding.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted during

- the year in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of accounts 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 the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including 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 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 31 March 2017 for a period of more than six months from the date they became 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 custom, 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 Statute | Nature of Dues | Amount (₹ In Lacs) | Period to which amount relates | Forum where dispute is pending |
|-------------------------|----------------|--------------------|--------------------------------|--------------------------------|
| Central Excise Act 1944 | Excise Duty | 55.84 | 2007-08 to 2011-12 | CESTAT, New Delhi |
- (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 explanation given to us, term loans raised 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 to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the 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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations 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 registration number: 000561N

M S Agarwal

Partner

- (viii) The Company has not defaulted in repayment of loan or borrowing to a financial institution or bank, government. There are no debenture holders.

Place: New Delhi

Date: 10th May 2017

Membership number: 086580

Annexure - B

to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Poly Medicure Limited ("the Company") as of 31st March 2017 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 components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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: 10th May, 2017

Poly Medicure Limited
Balance Sheet as at 31 March 2017

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2017		As at 31 March 2016	
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	4,411.34		2,205.67	
(b) Reserves and surplus	2	21,793.55	26,204.89	20,177.89	22,383.56
2 Non-current liabilities					
(a) Long-term borrowings	3	4,768.85		3,106.28	
(b) Deferred tax liabilities (Net)	4	1,473.63		1,183.37	
(c) Other Long term liabilities	5	507.83		401.94	
(d) Long-term provisions	6	332.58	7,082.89	256.51	4,948.10
3 Current liabilities					
(a) Short-term borrowings	7	2,849.66		3,039.38	
(b) Trade payables	8				
Amount outstanding to Micro and Small Enterprises		93.00		35.01	
Amount outstanding other than to Micro and Small Enterprises		4,005.21		2,922.52	
(c) Other current liabilities	9	3,846.00		3,797.33	
(d) Short-term provisions	6	569.20	11,363.07	503.08	10,297.32
TOTAL			44,650.85		37,628.98
II ASSETS					
1 Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		18,809.08		17,053.12	
(ii) Intangible assets		1,228.15		671.88	
(iii) Tangible Capital work-in-progress		978.94		287.27	
(iv) Intangible assets under development		822.69		1,084.50	
(b) Non-current investments	11	561.06		561.06	
(c) Long-term loans and advances	12	1,765.22		1,290.91	
(d) Other non-current assets	13	426.56	24,591.70	336.47	21,285.21
2 Current assets					
(a) Inventories	14	5,988.85		4,058.25	
(b) Trade receivables	15	9,525.32		8,073.02	
(c) Cash and bank balances	16	2,248.99		2,147.87	
(d) Short-term loans and advances	12	1,441.43		1,283.06	
(e) Other current assets	13	854.56	20,059.15	781.57	16,343.77
TOTAL			44,650.85		37,628.98
Significant accounting policies					
Notes on financial statement	1 - 46				

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 : 10.05.2017

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Avinash Chandra
Company Secretary

Poly Medicure Limited
Statement of Profit and Loss for the Year ended 31 March 2017

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2017	Year ended 31 March 2016
INCOME			
Revenue from operations (net of excise duty)	17	43,978.19	39,447.84
Other income	18	1,111.15	838.50
Total Revenue (I)		45,089.34	40,286.34
EXPENDITURE			
Cost of raw materials including packing materials consumed	19	14,500.24	13,177.29
Purchases of Stock-in-Trade		568.46	676.13
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(426.62)	200.25
Employee benefits expense	21	8,159.71	6,899.23
Research and development expenses	22	903.38	871.13
Other expenses	23	11,054.67	9,177.66
Total (II)		34,759.84	31,001.69
Earnings before Interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		10,329.50	9,284.65
Finance cost	24	700.54	778.24
Depreciation and amortization expenses	25	2,291.92	2,018.79
Profit before exceptional items and tax (III)		7,337.04	6,487.62
Exceptional Items (IV)		-	-
Profit before tax (V) (III + IV)		7,337.04	6,487.62
Tax expense:			
(1) Current tax		1,760.00	1,604.33
(2) Tax adjustment for earlier years (net)		(52.56)	(2.35)
(3) Deferred tax		290.26	154.89
Total tax expenses (VI)		1,997.70	1,756.87
Profit for the year (V - VI)		5,339.34	4,730.75
Earnings per equity share: (Face value ₹ 5 each) in rupees	32		
Basic		6.05	5.36
Diluted		6.05	5.36
Significant accounting policies			
Notes on financial statement	1 - 46		

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 : 10.05.2017

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited
Cash Flow Statement for the year ended 31 March 2017

(₹ in Lacs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	7,337.04	6,487.62
Adjusted for:		
Exceptional Items	-	-
Depreciation and amortization	2,291.92	2,018.79
Interest expense	700.54	778.24
Interest income	(186.17)	(224.39)
Loss/(profit) on sale of fixed assets, net	(122.03)	(3.12)
Debts/advances written off	14.59	33.46
Provision for doubtful debts and advances	-	5.92
Credit balances no longer required, written back	(110.15)	(49.37)
Deferred employee compensation expenses (net)	23.60	-
Unrealized foreign exchange (gain) /loss	(86.74)	(70.07)
Operating profit before working capital changes	9,862.60	8,977.08
Movement in working capital		
Decrease/ (increase) in sundry debtors	(1,504.33)	(2,162.95)
Decrease/(Increase) in loans and advances	(296.71)	(53.70)
Decrease/(increase) in inventories	(1930.60)	1,329.05
Increase/ (decrease) in current liabilities and provisions	1,197.20	(512.45)
Cash generated from operations	7,328.16	7,577.03
Direct taxes paid (net of refunds)	(1,821.24)	(1,389.42)
Net cash from operating activities	5,506.92	6,187.61
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(5,735.29)	(3,149.00)
Proceeds from / (Investment in) Fixed Deposits (net)	(796.75)	(78.41)
Proceeds from sale of fixed assets	252.95	8.03
Dividend and Interest income	250.95	194.01
Net cash used for investing activities	(6,028.14)	(3,025.37)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans (net of repayment)	1,921.04	383.90
Proceeds from ESOPs	-	-
Dividend and tax thereon Paid	(1,327.35)	(2,654.69)
Interest / Finance charges paid	(674.04)	(795.69)
Net cash from (used for) financing activities	(80.35)	(3,066.48)
Net increase in cash and cash equivalents (A+B+C)	(601.57)	95.76
Cash and cash equivalents at the beginning of the year	1,266.39	1,170.63
Cash and cash equivalents at the end of the year	664.82	1,266.39
Components of Cash and cash equivalent		
Balance with Banks	656.03	1,257.34
Cheques, drafts on hand	-	-
Cash on hand (including foreign currency notes)	8.79	9.05
Total	664.82	1,266.39

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 : 10.05.2017

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

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. The Company has adopted straight line method for computation of depreciation charged.

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

h) EXTRAORDINARY AND EXCEPTIONAL ITEMS

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company are classified as extraordinary

items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external events beyond the control of the company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

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

i) FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES

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

- used for acquisition of depreciable capital assets are added to or deducted from the cost of assets and are depreciated over the balance life of assets.
- used for purpose other than acquisition of depreciable assets are accumulated in "foreign currency monetary items translation differences account" and amortised over the balance period of such assets or liabilities.

j) GOVERNMENT GRANTS

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

k) RETIREMENT BENEFITS

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

l) EMPLOYEE STOCK COMPENSATION COST

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

m) BORROWING COSTS

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

n) LEASES

- i) Finance leases or similar arrangement, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed as leased assets. Finance charges are charged directly against income.
- ii) Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant

periodic rate of interest on the outstanding liability for each period.

- iii) Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

o) EARNINGS PER SHARE (EPS)

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

p) TAXES ON INCOME

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

q) IMPAIRMENT OF ASSETS

The carrying values of fixed assets and other assets of a cash generating unit are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, if any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets of the cash generating units are written down to their

recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the assets belongs Impairment losses are recognised in the Statement of Profit and Loss.

r) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Contingent liability is disclosed in case of :

- a) 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)

1 SHARE CAPITAL

	As at 31 March 2017	As at 31 March 2016
Authorised share Capital		
120,000,000 (Previous Year 60,000,000) Equity Shares of ₹ 5 (Previous Year ₹ 5) each	6,000.00	3,000.00
Issued, subscribed & paid up shares		
88,226,880 (Previous Year 44,113,440) Equity Shares of ₹ 5 (Previous Year ₹ 5) each fully paid up	4,411.34	2,205.67
Total	4,411.34	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 2017		As at 31 March 2016	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	44,113,440	2,205.67	44,113,440	2,205.67
Add: Issued during the year by way of Bonus Shares	44,113,440	2,205.67	-	-
Outstanding at the end of year	88,226,880	4,411.34	44,113,440	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 final 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 2017, the company has declared and paid interim dividend two times and the amount of per share interim dividend declared and paid to equity share holders is ₹ 2 per equity share of ₹ 5 each (previous year interim dividend ₹ 2.5)

During the year ended 31st March 2017, the amount of per share final dividend recognized as distribution to equity share holders is ₹ 0.50 per equity share of ₹ 5 each (Previous Year ₹ 0.50 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 2017		As at 31 March 2016	
	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	-	-	6,176,261	14.00%
M/s Ezekiel Global Business Solutions LLP	12,363,186	14.01%	-	-
Shri Rishi Baid	9,826,048	11.14%	4,913,024	11.14%
M/s Zetta Matrix Consulting LLP	8,319,660	9.43%	-	-
M/s BS Trade Invest Private Limited	-	-	41,29,414	9.36%
Shri Himanshu Baid	8,074,624	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 during the period of five years immediately preceding financial year ended 31 March, 2017

The Company has allotted 110,12,500 fully paid up equity shares of face value ₹10/- each during the financial year ended 31st March, 2014, pursuant to bonus issue approved by the shareholders through postal ballot.

The Company has allotted 441,13,440 fully paid-up equity shares of face value ₹ 5/- each during the financial; year ended 31st March, 2017 pursuant to bonus issue approved by the shareholders through postal ballot.

(₹ in Lacs)

2 RESERVES AND SURPLUS

	As at 31 March 2017	As at 31 March 2016
Capital Reserves		
Surplus on re-issue of forfeited shares	13.19	13.19
Application money received on Preferential Warrants issued to promoters forfeited	33.79	33.79
	46.98	46.98
Securities Premium Account		
Balance at the beginning of the year	83.60	83.60
Less: Utilized for issue of Bonus Shares during the year	(83.60)	-
Closing Balance	-	83.60
Foreign Currency Monetary Translation Account		
Balance at the beginning of the year	(3.69)	(49.69)
Add: Additions during the year (refer note no. 35)	54.79	46.00
Closing Balance	51.10	(3.69)

(₹ in Lacs)

Employees Stock Option Outstanding Account (net of options lapsed)

Balance at the beginning of the year	-	-
Add: Addition on account of employees stock option granted	63.75	-
Less: Transferred to Share premium Account on allotment of options	-	-
Less: Deferred Employee Compensation Expenses	(40.15)	-
Closing Balance	23.60	-

General Reserve

Balance at the beginning of the year	10,756.90	8,756.90
Less: Utilized for issue of Bonus Shares during the year	(2,122.07)	-
Add: Additions during the year	2,500.00	2,000.00
Closing Balance	11,134.83	10,756.90

Surplus in statement of Profit and Loss

Balance at the beginning of the year	9,289.03	8,144.85
Add: Additions during the year	5,339.34	4,730.74
Less: Dividend /Dividend tax adjusted for previous year	-	6.26
Less: Interim Dividend and tax thereon	(1,061.88)	(1,327.35)
Less: Proposed Final Dividend and tax thereon	(530.94)	(265.47)
Less: Transferred to General Reserve	(2,500.00)	(2,000.00)
Closing Balance	10,535.55	9,289.03

Government Grants (Deferred Income Approach)

Capital Investment Subsidy		
Balance at the beginning of the year	5.07	8.65
Add: Additions during the year	-	-
Less: Adjusted against depreciation (Refer Note no. 25)	(3.58)	(3.58)
Closing Balance	1.49	5.07

Grand Total

21,793.55	20,177.89
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3 LONG TERM BORROWINGS

Particulars	Non-current portion		Current maturities	
	As at 31 March		As at 31 March	
	2017	2016	2017	2016
Secured				
(i) Term loans				
from banks	4,443.77	3,081.38	1,973.98	1,650.54
(ii) Others - Vehicle Loan				
from banks	51.13	1.36	14.73	2.27
From others	80.63	23.54	39.94	8.52
(iii) Deferred payment liabilities	193.32	-	52.75	55.45
(iv) Equipment Financing	-	-	-	77.63
Amount disclosed under the head "other current liabilities" (note 9)	-	-	2,081.40	1,794.41
Total	4,768.85	3,106.28	-	-

3.1 Term loan comprise of the following:

(₹ in Lacs)

From Bank

Rupee Loan

3,925.43 1,279.72 798.88 462.50

Foreign Currency Loan

518.34 1,801.66 1,175.10 1,188.04

3.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Install- ments	Outstanding as at 31 March 2017	Annual repayment schedule			
				2017-18	2018-19	2019-20	2020-21 to 2022-23
Rupee Loan	9.61%	Qtr/Mon	4,724.31	798.88	1,699.26	991.47	1,234.70
Foreign Currency Loan	4.64%	Qtr	1,693.44	1,175.10	420.00	98.34	-
Others - Vehicle Loan	8.95%	Monthly	186.43	54.67	58.39	53.01	20.36
Deferred Payment Liabilities	11.00%	2 in a year	246.07	52.75	55.24	55.24	82.84

3.3 Details of security:

- a Term Loans from State Bank of India are secured by way of first charge on entire fixed assets of the Company (present & future) including equitable mortgage of factory land & buildings (except land and building located at plot no. 80 & 81, Sector 59, Faridabad and plot no. 34, Sector 68, IMT, Faridabad and Industrial plot No. PA-10-018, Mahindra SEZ, Jaipur) and second pari pasu charge on entire current assets of the company and are further secured by personal guarantee of Managing Director and Executive Director.
- b Term Loan from Citi Bank N.A. is secured by way of first exclusive charge on immovable property and movable fixed assets located at plot No. 80 and 81, Sector 59, Faridabad and are further secured by way of personal guarantee of Managing Director and Executive Director.
- c Term loan from the HongKong and Shanghai Banking Corporation Limited is secured by exclusive first charge on entire fixed assets including land and building and plant and machinery at plot no. 34, Sector 68, IMT Faridabad and are further secured by way of personal guarantee of Managing Director and Executive Director.
- d Vehicle Loans are secured by hypothecation / lien of the respective vehicles.
- e Deferred payment liabilities represents assets acquired on deferred credit terms.

(₹ in Lacs)

4 DEFERRED TAX LIABILITY (NET)

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

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

Component	As at 31 March 2017	As at 31 March 2016
Deferred Tax Liabilities:		
(i) Difference in depreciation between Accounting books and tax Return	1,592.94	1,308.06
Total	1,592.94	1,308.06
Deferred Tax Assets:		
(i) Provision for retirement benefits	(75.22)	(98.24)
(ii) Provision for Bonus	(28.21)	(9.15)
(iii) Provision for doubtful debts and advances	(15.88)	(17.30)
Total	(119.31)	(124.69)
Net Deferred Tax liability (Assets)	1,473.63	1,183.37

5 OTHER LONG TERM LIABILITIES

	As at 31 March 2017	As at 31 March 2016
Security Deposits from Agents/Others	507.83	401.94
Total	507.83	401.94

6 PROVISIONS

Particulars	Long Term As at 31 March		Short term As at 31 March	
	2017	2016	2017	2016
Provision for employee benefits				
Gratuity	233.00	175.33	22.83	19.32
Leave Encashment	99.58	81.18	11.95	8.05
Other provisions				
Provision for Income tax	-	-	3.48	210.24
Proposed dividend	-	-	441.14	220.57
Tax on proposed dividend	-	-	89.80	44.90
Total	332.58	256.51	569.20	503.08

(₹ in Lacs)

7 SHORT-TERM BORROWINGS

	As at 31 March 2017	As at 31 March 2016
Secured - from banks		
Cash / Export Credit Loan	2,849.66	3,039.38
Total	2,849.66	3,039.38

Working Capital limits from State Bank of India, Citi Bank N.A. and The HongKong & Shanghai Banking Corporation Limited are secured by way of first pari-passu charge on entire stocks and book debts both present and future secured by second pari-passu charge on entire fixed assets by way of Equitable Mortgage and also by personal guarantee by Managing Director and Executive Director.

8 TRADE PAYABLES

	As at 31 March 2017	As at 31 March 2016
Trade payables (including acceptances)	4,098.21	2,957.53

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 2017	As at 31 March 2016
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	92.91	35.01
— Interest due	0.09	-
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.	-	-

(₹ in Lacs)

9 OTHER CURRENT LIABILITIES

	As at 31 March 2017	As at 31 March 2016
Current maturities of long-term borrowings (Refer note no. 3)	2,081.40	1,794.41
Interest accrued but not due on borrowings	5.41	0.29
Interest accrued and due on borrowings/security/deposits	71.28	49.90
Advance from customers	134.96	274.99
Unpaid dividends	15.74	15.20
Other payables		
Statutory due	246.41	279.45
Employees related liabilities	1,038.40	912.14
Payables for capital goods	214.36	404.48
Others	38.04	48.47
Total	3,846.00	3,797.33

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

NOTE No. 10: FIXED ASSETS

Sr. No.	Particulars	Gross Block			As at 1 April 2016	Depreciation/Amortisation			Net Block	
		Additions	Sales / adjustment	As at 31 March 2017		For the Year	On Sales / Adjustments	As at 31 March 2017	As at 31 March 2016	As at 31 March 2016
A	Tangible Assets									
1	Freehold Land	1,346.08	321.06	1,667.14	-	-	-	1,667.14	1,346.08	
2	Leasehold Land	862.18	-	862.18	31.93	9.28	-	41.21	820.97	830.25
3	Building	2,702.28	284.04	2,986.32	693.55	91.62	-	785.17	2,201.15	2,008.73
4	Plant & Machinery	21,598.25	2,942.73	24,304.70	9,368.40	1,869.46	106.45	11,131.41	13,173.29	12,229.85
5	Furniture & Fixtures	328.71	53.58	382.29	164.90	31.08	-	195.98	186.31	163.81
6	Office Equipment	354.71	171.76	526.36	258.01	59.92	0.01	317.92	208.44	96.70
7	Vehicles	635.49	274.78	907.82	257.79	99.72	1.47	356.04	551.78	377.70
	Total Tangible	27,827.70	4,047.95	31,636.81	10,774.58	2,161.08	107.93	12,827.73	18,809.08	17,053.12
B	Intangible Assets									
1	Software	203.70	526.74	730.44	132.90	61.60	-	194.50	535.94	70.80
2	Patent & Trade Marks	814.58	163.95	978.53	213.50	72.82	-	286.32	692.21	601.08
	Total Intangible	1,018.28	690.69	1,708.97	346.40	134.42	-	480.82	1,228.15	671.88
	Total	28,845.98	4,738.64	33,345.78	11,120.98	2,295.50	107.93	13,308.55	20,037.23	17,725.00
	Previous Year	25,214.44	3,686.32	28,845.98	9,148.48	2,022.37	49.87	11,120.98	17,725.00	-

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 2017
Tangible Assets			
Building	279.59	3.89	275.70
Plant & Machinery	174.74	19.75	321.14
Furniture & Fixtures	5.04	1.01	9.04
Office Equipment	6.56	7.50	13.26
Intangible Assets			
Software	24.43	20.11	35.13
Total	490.36	52.26	654.27
Previous Year	48.01	29.21	216.17

2. Borrowing cost of ₹ 9.20 lacs (previous year ₹ 71.58 lacs) have been included in additions to Fixed Assets.

11 NON-CURRENT INVESTMENT

	(₹ in Lacs)	
	As at 31 March 2017	As at 31 March 2016
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments - fully paid		
Investment in subsidiaries		
U.S. Safety Syringes Co. LLC, USA USD 300,000 (previous year USD 300,000)	130.33	130.33
Membership Interest		
Less: Provision for diminution in value of investment	(130.33)	(130.33)
Poly Medicure (Laiyang) Co. Ltd. China USD 1,100,000 (previous year USD 1,100,000)	472.39	472.39
Membership Interest		
Investment in associates		
59,800 (Previous year 52,900) 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	
	2017	2016	2017	2016
(Unsecured, considered good unless stated otherwise)				
Capital Advances	1,327.70	760.91	-	-
Security Deposits				
Considered good	125.80	124.87	48.92	31.57
Considered doubtful	-	-	7.09	3.66
Less: Provision for doubtful deposits	-	-	(7.09)	(3.66)
Loans and advances to subsidiary companies	-	-	-	178.88
Advance for goods / services				
Considered Good	-	-	330.21	256.07
Considered Doubtful	-	-	7.71	7.08
Less: Provision for doubtful advances	-	-	(7.71)	(7.08)
Loans and advance to employees	1.00	-	12.43	2.84
Prepaid Expenses	-	1.45	44.72	72.53
Balance with revenue authorities	-	-	951.08	697.92
Service tax and VAT refundable	-	-	54.07	43.25
Advance tax/ tax deducted at source (net of provision)	310.72	403.68	-	-
Total	1,765.22	1,290.91	1,441.43	1,283.06
Loans and Advances to subsidiary companies includes:				
Due from Poly Medicure (Laiyang) Co. Ltd., China	-	-	-	178.88
Maximum amount outstanding during the year ₹ 178.88 lacs (Previous year ₹ 178.88 lacs)				

13 OTHER ASSETS

	Non-current		(₹ in Lacs)	
	As at 31 March		Current	
	2017	2016	2017	2016
Export benefits receivable	-	-	653.26	473.34
Interest accrued on bank deposits / Advances #	16.88	20.85	90.47	151.28
Premium on forward contracts	-	-	77.39	93.50
Dividend / Governing council share from associates	-	-	19.08	47.72
Other receivable ##	-	-	14.36	15.73
Non-current bank balances (refer note 16)	409.68	315.62	-	-
Total	426.56	336.47	854.56	781.57

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

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

14 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at 31 March 2017	As at 31 March 2016
Raw Materials including packing materials	3,623.03	2,869.41
Goods-in transit	333.38	54.59
Work-in-progress	886.44	507.62
Finished Goods	568.64	524.13
Stock-in-trade	4.86	1.57
Stores and spares	572.50	100.93
Total	5,988.85	4,058.25

Additional disclosure regarding inventories

Raw Materials including packing materials

Plastic granules	1,359.03	801.30
PVC Sheet	125.79	124.42
SS Tube	144.27	221.87
Boxes	94.61	53.04
Medical paper	300.12	269.27
Other miscellaneous items	1,599.21	1,399.51
	3,623.03	2,869.41

Work-in-progress

I V Cannula	331.77	151.76
Blood Bag	42.77	79.62
Others	511.90	276.24
	886.44	507.62

(₹ in Lacs)

Finished Goods

I V Cannula	148.59	97.51
Blood Bag	80.73	67.95
Others	339.32	358.67
	568.64	524.13

Stock in trade

Others	4.86	1.57
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15 TRADE RECEIVABLES

	As at 31 March 2017	As at 31 March 2016
Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	9,299.49	7,702.04
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	225.83	370.98
Unsecured, considered doubtful	31.09	39.25
Less: Provision for doubtful debts	(31.09)	(39.25)
Total	9,525.32	8,073.02

	Outstanding As at 31 March		Maximum balance outstanding during the year ended	
	2017	2016	2017	2016
Trade receivable includes:				
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	555.89	199.97	1,166.21	649.06
Due from Ultra For Medical Products (UMIC), being associate company	470.91	477.74	580.95	540.70

16 CASH AND BANK BALANCES

	Non-current As at 31 March		Current As at 31 March	
	2017	2016	2017	2016
Cash and cash equivalent				
Balances with Banks				
In current and cash credit accounts	-	-	67.94	61.15
In deposit accounts, with less than 3 months maturity period	-	-	588.09	1,196.19
Cheques, drafts on hand	-	-	-	-
Cash on hand (including foreign currency notes)	-	-	8.79	9.05

(₹ in Lacs)

Other Bank balances

Balance with Banks in unpaid dividend accounts	-	-	15.74	15.20
Held as margin money	367.85	304.23	-	-
Deposits with more than 3 months but less than 12 months maturity period	-	-	1,568.43	866.28
Deposits with more than 12 months maturity period	41.83	11.39	-	-
Amount disclosed under the head "other assets" (Refer note 13)	(409.68)	(315.62)	-	-
Total	-	-	2,248.99	2,147.87

17 REVENUE FROM OPERATIONS

Year ended 31 March 2017 Year ended 31 March 2016

Sale of products

Manufactured goods	43,310.63	38,754.60
Traded Goods	603.45	785.08

Other operating revenues

Export Incentives	661.02	397.10
Sale of scrap	88.56	78.66
Less: Excise duty	(685.47)	(567.60)

Total

43,978.19 39,447.84

Additional disclosures in respect of sale of products**Finished goods sold**

I V Cannula	17503.78	14,603.17
Blood Bag	3,544.55	3,185.22
Others	22,262.30	20,966.21
	43,310.63	38,754.60

Traded goods sold

Safety scalp vein set	176.37	222.93
Others	427.08	562.15
	603.45	785.08

18 OTHER INCOME

Year ended 31 March 2017 Year ended 31 March 2016

Interest Income	186.17	224.39
Other non-operating income		
Provisions / Liabilities no longer required written back (net)	110.15	49.37
Gain on fixed assets sold/discarded	122.03	3.12
Gain on Foreign Exchange Fluctuation (net)	625.36	467.71
Miscellaneous Income	67.44	93.91
Total	1,111.15	838.50

(₹ in Lacs)

19 COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

	Year ended 31 March 2017	Year ended 31 March 2016
Raw Material Consumed		
Inventory at the beginning of the year	2,372.30	3,278.25
Add: Purchases during the year	11,368.68	8,860.80
Less: Inventory at the end of the year	2,913.94	2,372.30
Cost of raw material consumed (A)	10,827.04	9,766.75
Packing Material Consumed		
Inventory at the beginning of the year	497.11	733.84
Add: Purchases during the year	3,885.19	3,173.81
Less: Inventory at the end of the year	709.10	497.11
Cost of packing material consumed (B)	3,673.20	3,410.54
Total (A+B)	14,500.24	13,177.29

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	6,133.97	4,761.36
PVC Sheet	622.80	488.08
SS Tube	470.53	377.61
Other miscellaneous items	3,599.74	4,139.70
	10,827.04	9,766.75
Packing Material Consumed		
Boxes	840.50	921.99
Medical paper	807.99	853.50
Others	2,024.71	1,635.05
	3,673.20	3,410.54

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

	Year ended 31 March 17	Year ended 31 March 2016	(Increase) / Decrease
Inventories at the end of year			
Finished Goods and Stock in Trade	573.50	525.70	(47.80)
Work in progress	886.44	507.62	(378.82)
	1,459.94	1,033.32	(426.62)
Inventories at the beginning 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

(₹ in Lacs)

21 EMPLOYEE BENEFITS EXPENSES

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus	7,454.51	6,313.68
Gratuity Expenses	75.51	49.25
Contributions to Provident Fund and others	529.27	472.72
Staff Welfare Expenses	100.42	63.58
Total	8,159.71	6,899.23

22 RESEARCH AND DEVELOPMENT EXPENSES

	Year ended 31 March 2017	Year ended 31 March 2016
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	527.98	561.58
Employee benefits expenses including gratuity of ₹ 6.05 lacs (previous year ₹ 2.90 lacs)	304.16	244.62
Power and Fuel	32.36	33.20
Travelling & Conveyance	20.07	15.51
Other Misc Expenses including payment to auditors ₹ 0.15 lacs (previous year ₹ 0.15 lacs)	18.81	16.22
Total Revenue Expenses	903.38	871.13
Capital Expenditure	490.36	48.01
Total amount spent on Research and Development	1,393.74	919.14

23 OTHER EXPENSES

	Year ended 31 March 2017	Year ended 31 March 2016
Consumption of stores and spare parts	790.87	530.16
Power and Fuel	1,617.25	1,452.58
Job Work Charges	3,933.26	3,198.34
Other Manufacturing Expenses	80.85	61.50
Repairs to Building	37.73	28.31
Repairs to Machinery	216.96	377.01
Repairs to Others	34.71	30/76
Excise Duty on closing stock	9.40	33.84
Insurance (Net)	70.51	75.55
Rent	113.34	117.35
Rates, Taxes & Fee	79.01	38.44
Travelling & Conveyance	645.08	517.25
Legal & Professional Fees	1,008.92	679.47
Auditors' Remuneration	16.67	14.94
Commission and Sitting Fees to Non-Executive Directors	60.02	65.65
Donations	62.63	83.00

		(₹ in Lacs)
Bank Charges	174.97	197.79
Advertisement	5.23	4.07
Commission on sales	353.20	235.24
Freight & Forwarding (Net)	563.49	450.62
Business Promotion	424.94	276.28
Exhibition Expenses	177.81	166.21
Rebate, Discounts & Claims	95.83	109.22
Provision for Doubtful debts / Advances	-	5.92
Bad debts / Misc. Balances swritten off	14.59	33.46
CSR Expenditure	116.61	93.45
Other Miscellaneous Expenses	350.79	301.25
Total	11,054.67	9,177.66

24 FINANCE COST

	Year ended 31 March 2017	Year ended 31 March 2016
Interest expense	654.18	536.26
Other borrowing costs	9.17	4.46
Exchange difference to the extent considered as an adjustment to borrowing costs	37.19	237.52
Total	700.54	778.24

25 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of tangible assets	2,161.08	1,932.65
Amortisation of intangible assets	134.42	89.72
Gross Total	2,295.50	2,022.37
Less: Amortisation of Government Grants (refer note no. 2)	(3.58)	(3.58)
Net Total	2,291.92	2,018.79

26 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
a Contingent liabilities not provided for:		
Show Cause notices from excise department (Amount paid ₹ 2.94 lacs, Previous Year ₹ 2.94 lacs)	58.78	58.78
Claim against the company not acknowledged as debt	14.07	12.80
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	119.55

(₹ in Lacs)

b Obligations and commitments outstanding:

Particulars	Year ended	
	31 Mar 17 ₹ in Lacs	31 Mar 16 ₹ in Lacs
Unexpired letters of credit ₹ 680.55 lacs (Previous year ₹ 427.46 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,187.07 lacs (Previous year ₹ 1,114.76 lacs), (Net of margins)	1,867.62	1,542.22
Bills discounted but not matured	1,175.17	1,356.12
Custom duty against import under Advance Licence Scheme	5.88	98.09
Custom duty against import under EPCG Scheme	668.17	88.39
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	3,483.71	949.29

27 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Currency	For the year ended 31 March 2017 (₹ in Lacs)		For the year ended 31 March 2016 (₹ in Lacs)	
		Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Trade Receivable	GBP	-	-	0.46	43.63
	EURO	17.85	1,235.89	10.06	758.01
	USD	10.48	833.39	18.77	1,243.38
Advance paid against goods and Other Receivable	USD	13.31	862.94	7.90	523.33
	EURO	4.90	339.59	2.31	174.12
	EGP	5.37	19.10	5.37	47.72
	SGD	0.76	35.19	-	-
	JPY	59.31	34.37	-	-
Advance from customers	USD	1.73	67.68	4.12	272.95
	EURO	0.67	46.35	1.80	135.69
	GBP	-	-	0.01	0.52
Import Payables	USD	18.28	1,185.03	25.09	1,662.00
	EURO	1.87	129.39	0.76	57.37
	JPY	-	-	188.44	111.16
Patents	USD	0.23	15.08	0.92	60.66
	EURO	0.34	23.65	0.51	38.31
	SGD	0.05	2.10	0.09	4.66
	JPY	1.65	0.95	9.76	5.76
	GBP	0.05	3.67	0.07	6.55
	AUD	-	-	0.05	2.51

(₹ in Lacs)					
Legal and Professional Charges	USD	-	-	0.27	17.61
	AUD	9.07	448.67	0.02	1.02
	SGD	-	-	0.01	0.26
	GBP	-	-	0.00	0.14
	EURO	0.01	0.59	0.07	5.61
Commission Payable	USD	1.86	120.76	2.14	141.81
	EURO	0.06	4.10	0.06	4.50
Borrowings	USD	46.15	2,987.23	68.18	4,517.07
Lendings including interest	USD	-	-	3.06	202.72

28 Financial Risk Management

The Company's activities expose it to a variety of financial risks : currency risk, interest rate risk, credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the company's financial performance

Currency risk

The Company derives significant portion of its revenue in foreign currency, exposing it to fluctuations in currency movements. The Company has laid down a foreign exchange risk policy as per which senior management team reviews and manages the foreign exchange risks in a systematic manner, including regular monitoring of exposures, proper advice from market experts, hedging of exposures, etc.

The Company enter into foreign exchange forward contract, to mitigate foreign exchange related risk exposure and are entered into to hedge the payment of monetary assets or monetary liability in balance sheet.

Details in respect of the outstanding foreign exchange forward contracts are as under:

Particulars	Hedged Item	Risk	Currency	31 Mar 17 ₹ in Lacs	31 Mar 16 ₹ in Lacs
Foreign exchange forward contract	Firm	Sell	USD	3,797.30	2,665.55
			EURO	20.16	286.65
	Commitment	Buy	GBP	243.41	-
			JPY	318.64	-

Interest rate risk

Interest rate risk primarily arises from floating rate borrowings. The Company's borrowing portfolio requires interest rates to be reviewed by the lending agencies on an annual basis and is influenced by industry factors as well as Company's financial performance.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

i) Trade and other receivables

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

ii) Investments

The Company limits its exposure to credit risk by generally investing with counterparties that have a good credit rating. The Company has funded defined-benefit gratuity plans. The funded status of these plans are influenced by movements in financial market. A negative performance of the financial markets could have a material impact on cash funding requirements.

iii) Cash and Cash equivalents

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's risk exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Since the counter party involved is a bank, Company considers the risks of non-performance by the counterparty as non-material.

Liquidity Risk

Liquidity risk is the that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's finance department is responsible for fund management. In addition, processes and policies related to such risks are overseen by senior management.

- 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 are as under:

A LIST OF RELATED PARTIES AND RELATIONSHIPS**a) Subsidiaries and Associate****Subsidiaries**

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

Associate

Ultra For Medical Products (UMIC), Egypt

b) Key Management Personnel

- 1 Shri Himanshu Baid, Managing Director
 - 2 Shri Rishi Baid, Executive Director
 - 3 Shri J. K. Oswal, C.F.O.
 - 4 Shri Avinash Chandra, Company Secretary
- c) Relatives of Key Management Personnel**
- 1 Shri J. K. Baid, Director (relative of Managing Director & Executive Director)
 - 2 Shri Vishal Baid, President (Corporate Sales & Marketing), (relative of Managing Director & Executive Director)
 - 3 Smt. Mukulika Baid, Director (relative of Directors)

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

- 1 Vitromed Healthcare
- 2 Jai Polypan Pvt. Ltd.
- 3 Stilocraft
- 4 Polycure Martech Ltd.

(₹ in Lacs)

B TRANSACTIONS WITH RELATED PARTIES

Description	Subsidiaries and Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales of Goods	870.39	904.14			1,914.53	1,418.64
Ultra for Medical Products Egypt	870.39	904.14				
Vitromed Healthcare					1,914.53	1,418.64
Purchases of Goods	24.74	-			30.22	82.45
Ultra for Medical Products Egypt	24.74	-				
Vitromed Healthcare					30.22	82.45
Job work					3,651.72	3,003.55
Vitromed Health Care					3,651.72	3,003.55
Rent received					0.24	0.24
Vitromed Healthcare					0.24	0.24
Rent paid					1.61	1.51
Jai Polypan Pvt. Ltd.					1.61	1.51
Repayment of loan given	163.56	-				
Poly Medicure (Laiyang) Co. Ltd., China	163.56	-				
Interest received on Loan	2.29	12.52				
Poly Medicure (Laiyang) Co. Ltd., China	2.29	12.52				
Directors / Key Managerial Personnels' Remuneration			724.44	712.94		
Shri Himanshu Baid			342.98	341.13		
Shri Rishi Baid			337.60	334.00		
Shri J. K. Oswal			37.35	32.64		
Shri Avinash Chandra			6.51	5.17		
Salary and perquisites			42.72	36.28		
Shri Vishal Baid			42.72	36.28		
Commission and Sitting fees			19.25	20.65		
Shri J. K. Baid			9.75	10.45		
Smt. Mukulika Baid			9.50	10.20		
Dividend / Share Governing Council due	-	40.90				
Ultra for Medical Devices	-	40.90				
Outstanding balances at the year end						
Loan outstanding	-	178.88				
Poly Medicure (Laiyang) Co. Ltd., China	-	178.88				
Dividend / Share Governing Council outstanding	19.08	47.72				
Ultra for Medical Products	19.08	47.72				

(₹ in Lacs)

Interest outstanding	-	23.84		
Poly Medicure (Laiyang) Co. Ltd., China	-	23.84		
Remuneration / Salary payable		279.42	262.65	
Shri Himanshu Baid		137.34	129.10	
Shri Rishi Baid		137.17	129.86	
Shri Vishal Baid		1.91	1.73	
Shri J. K. Oswal		2.53	1.58	
Shri Avinash Chandra		0.47	0.38	
Commission Payable		13.50	13.50	
Shri J. K. Baid		6.75	6.75	
Smt. Mukulika Baid		6.75	6.75	
Trade Receivable	470.91	477.74	555.89	199.67
Vitromed Healthcare	-	-	558.89	199.67
Ultra for Medical Products	470.91	477.74	-	-
Trade Payable / Payable for Capital Goods	24.74	-	206.28	-
Vitromed Healthcare			206.28	-
Ultra for Medical Products	24.74	-	-	-

31 Additional information as required by Paragraph 6 of the General Instructions for Preparation of Balance Sheet to Schedule III to the Companies Act, 2013 with respect to details of Specified Bank Notes (SBNs) held and transacted during the period 8.11.16 to 30.12.16.

	SBNs	Other	Total
Closing cash in hand as on 08.11.2016 (*)	36.75	10.24	46.99
Add:			
Withdrawal from Banks	-	17.91	17.91
Receipts for permitted transactions	-	0.19	0.19
Less:			
Paid for permitted transactions	-	18.80	18.80
Deposited in Banks	36.75	0.05	36.80
Closing cash in hand as on 30.12.2016 (*)	-	9.49	9.49

* **As certified by the management**

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Net profit after tax available for equity share holders (₹ In lacs)	5,339.34	4,730.75
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	88,226,880	88,226,880*
Basic Earnings per Share (in ₹)	6.05	5.36

(₹ in Lacs)

Diluted Earnings per Share

Weighted Average no. shares outstanding during the year	88,226,880	88,226,880*
Effect of dilutive issue of stock options	21,250	-
Weighted Average no. shares outstanding for diluted EPS	88,248,130	88,266,880*
Diluted Earnings per Share (in ₹)		
* Adjusted for issue of Bonus Shares in Financial Year 2016-17	6.05	5.36

33 PAYMENT TO AUDITORS

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Audit Fee	11.25	10.25
Tax audit Fee	1.25	1.25
Limited Review of Results	1.50	1.50
In other capacity		
(a) For Certification work	1.64	0.91
Reimbursement of expenses	1.18	1.18
Total	16.82	15.09

34 EMPLOYEE BENEFIT**I Defined Contribution Plan - Provident Fund**

The Company makes contribution towards Provident Fund to Regional fund commissioner. The contribution payable by the company are at the rates specified in the rules of the scheme.

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Employers' contribution to provident fund * #	365.41	334.94

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

excluding contribution to provident fund transferred to intangible capital work in progress ₹ 1.77 lacs (₹ 1.92 lacs) and to Research and Development Expenses ₹ 8.59 lacs (₹ 7.19 lacs).

II Defined Benefit Plan

During the year ended 31st March, 2017, the Company has formed a employees gratuity trust which is administrated by Life Insurance Corporation of India (LIC). The Company has also got approval of gratuity trust from principal commissioner of the Income Tax, New Delhi under Rule 2(1) of part C of fourth schedule of Income Tax Act 1961. The Company has started making contribution towards funding the defined benefit plan pertaining to gratuity to LIC. The Leave Encashment liability is not contributed to any fund and is unfunded. The present value of the defined benefit obligation and related current cost are measured using projected unit credit method with actuarial valuation being carried out at balance sheet date. The amount recognized are as under:

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

(₹ in lacs)

Particulars	For the year ended March 31, 2017		For the Year ended March 31, 2016	
	Gratuity (Funded)	Leave encashment/ Compensated Absences (Unfunded)	Gratuity (Unfunded)	Leave encashment/ Compensated Absences (Unfunded)
a) Amount recognized in Balance Sheet				
Present value of obligation at the end of the period	260.83	111.53	194.65	89.22
Fair value of plan assets at the end of the period	5.00	-	-	-
Net Liability recognized in the Balance Sheet	255.83	111.53	194.65	89.22
b) Expenses recognized in the Statement of Profit and Loss				
Current service cost	44.65	27.44	32.45	22.12
Interest on defined benefit obligation	16.54	7.58	12.97	6.22
Expected return on plan assets	-	-	-	-
Net actuarial losses (gain) recognized in year	20.37	16.78	4.73	18.95
Expenses recognized in the Statement of Profit and Loss	81.56	51.80	52.15	47.29
c) Change in present value of obligation				
Present value of obligation at the beginning of the period	194.65	89.22	152.54	73.15
Current service cost	44.65	27.44	34.45	22.12
Interest cost	16.54	7.58	12.97	6.22
Actuarial losses (gain)	20.37	16.78	4.73	18.95
Benefits paid	(15.39)	(29.49)	(10.04)	(31.22)
Present value of obligation at the end of the period	260.82)	111.53	194.65	89.22
d) Change in fair value of assets				
Fair value of plan assets at the beginning of the period	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial gain(losses)	-	-	-	-
Contributions by employer	5.00	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at the end of the period	5.00	-	-	-
e) Fair value of plan assets				
Fair value of plan assets at the beginning of the period	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial Gain (losses)	-	-	-	-
Contributions by employer	5.00	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets at the end of the period	5.00	-	-	-
Funded status	(255.83)	-	(194.65)	-
f) The major category of plan assets as percentage of total plan assets as under:				
Insurer managed funds	5.00	-	-	-
Percentage	100%	-	-	-

(₹ in Lacs)

g) The major assumptions used in accounting of defined benefits plans are as under:

Particulars	Gratuity 2017 (in%)	Leave 2017(in%)	Gratuity 2016 (in%)	Leave 2016 (in%)
Discount Rate	7.35	7.35	8.50	8.50
Future salary increase	5.50	5.50	6.00	6.00
Expected rate of return on assets per annum	-	5.50	-	-
Employee turnover				
Up to 30 Years	3.00	3.00	3.00	3.00
From 31 to 44 years	2.00	2.00	2.00	2.00
Above 44 years	1.00	1.00	1.00	1.00
Retirement age (in years)	60.00	60.00	60.00	60.00

h) The amounts for the current period and previous four period are as under:**GRATUITY**

i) Assets / Liabilities as on	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Defined benefit obligation	260.83	194.65	152.54	123.14	102.57
Plan Assets	5.00	-	-	-	-
Net Liability	255.83	194.65	152.54	123.14	102.57
ii) Experience on actuarial Gain (Loss) for defined benefit obligation and Plan Assets					
On Defined benefit obligation	0.70	(4.73)	(0.35)	2.44	7.07
On Plan Assets	-	-	-	-	-

iii) Enterprise best estimate of expense for the next Annual reporting period is ₹ 83.16 lacs.**LEAVE ENCASHMENT**

i) Assets / Liabilities as on	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Defined benefit obligation	111.53	89.22	73.15	59.26	52.93
Plan Assets	-	-	-	-	-
Net Liability	111.53	89.22	73.15	59.26	52.93
ii) Experience on actuarial Gain (Loss) for defined benefit obligation and Plan Assets					
On Defined benefit obligation	(6.89)	(18.95)	(17.47)	(8.20)	(11.85)
On Plan Assets	-	-	-	-	-

iii) Enterprise best estimate of expense for the next Annual reporting period is ₹ 36.10 lacs.

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 ₹ 51.10 lacs is remained to be amortised over the balance period of such assets or liabilities. Had the option not being exercised, the profits of the company would have been higher by ₹ 54.79 lacs.

(₹ in Lacs)

36 Borrowing cost of ₹ 12.46 Lacs (previous year ₹ 7.46 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. The Company’s secondary segments are the geographic distribution activities. Revenue and receivables are specified by location of customers. The geographical segments information is as under:

a) **Geographical segment**

Year ended 31.03.2017	Europe	Gulf & Middle East	Latin America	Rest of the World	India	Total
Revenue from Operations						
Sales to external customers	13,105.83	1,584.15	7,265.42	8,453.86	13,504.82	43,914.08
Other segment information						
Segment assets	2,045.39	337.66	1,618.33	1,768.02	5,413.83	11,183.23
Unallocated assets					33,467.62	33,467.62
Total assets:						44,650.85
Year ended 31.03.2016	Europe	Gulf & Middle East	Latin America	Rest of the World	India	Total
Revenue from Operations						
Sales to external customers	11,940.60	1,168.26	5,320.28	9,283.59	11,826.95	39,539.68
Other segment information						
Segment assets	1,950.00	455.88	828.01	1,500.37	3,338.76	8,073.02
Unallocated assets					29,555.96	29,555.96
Total assets:						37,628.98

38 **LEASES**

Operating leases

- The Company has taken six premises under cancellable operating lease. These lease agreements are normally renewed on expiry.
- Lease rental expenses in respect of operating leases: ₹ 113.34 lacs (previous year ₹ 117.35 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 2017 are as follows:

Particulars	Year ended 31 March 17	Year ended 31 Mar 16
Payable not later than one year	41.86	95.91
Payable later than one year and not Later than five year	-	31.80
Total	41.86	127.71

(₹ in Lacs)

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

Sr. No.	Particulars	Year ended 31 Mar 17	Year ended 31 Mar 16
1	On Providing Food / vehicle for food distribution	13.21	30.98
2	On promotion of education including provision for scholarship	68.70	46.81
3	On welfare for disabled persons	3.00	12.21
4	On provision for sanitation	-	-
5	On food relief activity	-	-
6	On animal and environment protection	23.70	-
7	On making available safe drinking water	-	-
8	On promotion of health care	8.00	3.45
	Total	116.61	93.45
Total amount to be spent on CSR activities in accordance with the provision of section 135 of the Companies Act, 2013		140.19	119.54
Total Amount spent		116.61	93.45
Unspent amount on CSR activities		23.58	26.09

40 EMPLOYEE STOCK OPTION SCHEME

The Company has formulated "Poly Medicure Employee Stock Option Scheme, 2015 (ESOS 2015)" which was approved by the Shareholders in the annual general meeting held on 28th Sep 2015, in accordance of which the ESOP committee of board of director the company held on 2nd june 2016 has granted ESOP to the eligible employees on the following terms and conditions:

- The vesting period is as under:
On completion of 24 months from the date of grant of Options – 50%
On completion of 30 month from the date of grant of Options – 50%
- The exercise price of the option is ₹ 50 each, which are to be paid by the employees to the Company on the exercise of the options.

The exercise period commences from the date of vesting of the options and expire at the end of 3 months from the date of such vesting.

The vesting period has not commenced yet.

The Company has also formulated "Poly Medicure Employees Stock Option Scheme, 2016 (ESOS 2016)" duly approved by the shareholders in the annual general meeting held on 27th Sep 2016. No option under the said scheme has yet been granted.

41 VALUE OF IMPORTS CALCULATED ON CIF BASIS IN RESPECT OF

Particulars	Year ended 31 March 17	Year ended 31 March 16
I Raw Materials	8,967.31	7,512.28
II Traded Goods	557.87	647.84
III Stores, Spares & Packing Materials	1,659.21	1,352.18
IV Capital Items	2,435.80	3,003.15
Total	13,620.19	12,515.45

(₹ in Lacs)

42 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

Particulars	Year ended 31 March 17	Year ended 31 March 16
I Interest	160.61	153.36
II Traveling Expenses	40.22	34.61
III Legal & Professional Charges	746.80	418.69
IV Commission	183.81	91.07
V Bank Charges	36.38	32.10
VI Exhibition Expenses	119.17	92.11
VII Rates Taxes & Fees	10.05	0.11
VIII Freight and Forwarding	6.77	1.09
IX Rebate and Discounts	7.50	6.99
X Software Expenses	3.13	-
XI Membership Expenses	3.54	-
Total	1,317.98	830.13

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 2017		Year ended 31 March 2016	
	Value	%	Value	%
1 Raw materials				
Imported	8,666.96	80.05	7,772.46	79.58
Indigenous	2,160.08	19.95	1,994.30	20.42
Total	10,827.04	100.00	9,766.76	100.00
2 Stores, Spares & Packing Material				
Imported	1,526.58	34.20	1,482.74	37.63
Indigenous	2,937.49	65.80	2,457.95	62.37
Total	4,464.07	100.00	3,940.69	100.00

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

44 EARNING IN FOREIGN EXCHANGE (ON ACCRUAL BASIS):

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
I FOB Value of Exports During the Year	28,006.72	26,164.08
II Others (Freight, settlement amount, Insurance, Commission, Interest, fees etc. recovered)	319.81	2,10.88
III Dividend / Governing Council share from Associates	0.00	40.90
Total	28,326.53	26,415.86

(₹ in Lacs)

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 2017	Year ended 31 March 2016
I Number of Non Resident Shareholders	3	3
II Number of Equity Shares held by them	336,000	1,68,000
III Amount of Dividend paid (Gross) (₹ In lacs)	-	-
IV Amount of Dividend paid (Gross) (In USD)	6,122.95	12,546.50
V Year to which dividend relates	2015-16 & 2016-17	2014-15 & 2015-16

46 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 : 10.05.2017

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

J.K.Oswal
CFO

Rishi Baid
Executive Director
DIN: 00048585

Avinash Chandra
Company Secretary

Independent Auditors' 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 associate (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31st March 2017, 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 the 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 Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 31st March 2017, 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 ₹ 1,041.97 lacs as at 31st March, 2017 total revenues of ₹ 1,550.77 lacs and net cash flows amounting to ₹ 4.53 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 ₹ 58.71 lacs for the year ended 31st December 2016 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 associate, 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 associate, 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 2017, 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 disclosure included in respect of this subsidiary, and our report in terms of sub-section (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 as certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by 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 purposes 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 2017 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 2017 from being appointed as a Director of that company 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 Auditors) 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 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 derivatives 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.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management- Refer note 31 to the consolidated financial statements.

For Doogar & Associates

Chartered Accountants

Firm's registration number: 000561N

M.S Agarwal

Partner

Membership number: 086580

Place: New Delhi

Date: 10th May 2017

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, 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 Holding 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 Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 controls system over financial reporting and their operating

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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 ICAI.

For Doogar & Associates

Chartered Accountants

Firm's registration number: 0561N

M.S Agarwal

Partner

Membership number: 086580

Place: New Delhi

Date: 10th May 2017

Poly Medicure Limited
Consolidated Balance Sheet as at 31 March, 2017

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2017		As at 31 March 2016	
I EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	4,411.34		2,205.67	
(b) Reserves and surplus	2	22,029.92	26,441.26	20,657.47	22,863.14
2 Minority Interest			(0.26)		(0.26)
3 Non-current liabilities					
(a) Long-term borrowings	3	4,768.85		3,106.28	
(b) Deferred tax liabilities (Net)	4	1,473.63		1,183.37	
(c) Other Long term liabilities	5	507.83		401.94	
(d) Long-term provisions	6	332.58	7,082.89	256.51	4,948.10
4 Current liabilities					
(a) Short-term borrowings	7	3,229.90		3,345.59	
(b) Trade payables	8				
Amount outstanding to Micro and Small Enterprises		93.00		35.01	
Amount outstanding other than to Micro and Small Enterprises		4,092.52		3,052.14	
(c) Other current liabilities	9	3,950.95		3,988.98	
(d) Short-term provisions	6	569.20	11,935.57	503.08	10,924.80
TOTAL			45,459.46		38,735.78
II ASSETS					
1 Non-current assets					
(a) Fixed assets	10				
(i) Tangible assets		19,367.35		17,562.87	
(ii) Intangible assets		1,228.15		671.88	
(iii) Tangible Capital work-in-progress		978.94		287.27	
(iv) Intangible assets under development		822.68		1,084.50	
(b) Non-current investments	11	327.72		442.21	
(c) Long-term loans and advances	12	1,765.22		1,290.91	
(d) Other non-current assets	13	426.55	24,916.61	336.47	21,676.11
2 Current assets					
(a) Inventories	14	6,392.63		4,600.04	
(b) Trade receivables	15	9,553.11		8,297.71	
(c) Cash and bank balances	16	2,278.19		2,172.55	
(d) Short-term loans and advances	12	1,460.63		1,226.84	
(e) Other current assets	13	858.29	20,542.85	762.53	17,059.67
TOTAL			45,459.46		38,735.78

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

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Place : New Delhi

Date : 10.05.2017

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited
Consolidated Statement of Profit and Loss for the Year ended 31 March, 2017

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2017	Year ended 31 March 2016
INCOME			
Revenue from operations (net of excise duty)	17	45,528.96	41,225.72
Other income	18	1,108.89	826.59
Total Revenue (I)		46,637.85	42,052.31
EXPENDITURE			
Cost of raw materials including packing materials consumed	19	15,066.33	14,091.66
Purchases of Stock-in-Trade		568.46	676.13
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(289.67)	21.03
Employee benefits expense	21	8,746.10	7,477.49
Research and development expenses	22	903.38	871.13
Other expenses	23	11,380.21	9,510.68
Total (II)		36,374.81	32,648.12
Earnings before Interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		10,263.04	9,404.19
Finance cost	24	723.16	797.14
Depreciation and amortization expense	25	2,368.96	2,102.89
Profit before exceptional items and tax (III)		7,170.92	6,504.16
Exceptional Items (IV)		-	-
Profit before tax (V) (III + IV)		7,170.92	6,504.16
Tax expense:			
(1) Current tax		1,760.00	1,604.33
(2) Tax adjustment for earlier years (net)		(52.56)	(2.35)
(3) Deferred tax		290.26	154.89
Total tax expenses (VI)		1,997.70	1,756.87
Profit for the year (V - VI)		5,173.22	4,747.29
Add: Share of profit from associates		58.71	79.50
Net Profit for the year		5,231.93	4,826.79
Earnings per equity share: (Face value ₹ 5 each) in rupees	32		
Basic		5.93	5.47
Diluted		5.93	5.47
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

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Place : New Delhi

Date : 10.05.2017

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited
Consolidated Cash Flow Statement for the year ended 31 March 2017

(₹ in Lacs)

Particulars	Year ended	
	31 March 2017	31 March 2016
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	7,170.92	6,504.16
Adjusted for:		
Exceptional Items	-	-
Depreciation and amortization	2,368.96	2,102.89
Interest expense	723.16	797.14
Interest income	(183.88)	(211.87)
Loss/(profit) on sale of fixed assets, net	(122.03)	(3.12)
Debts/advances written off	14.59	33.46
Provision for doubtful debts and advances	-	5.92
Credit balances no longer required, written back	(110.15)	(49.37)
Deferred employee compensation expenses	23.60	-
Unrealised foreign exchange (gain) /loss	(86.74)	(70.07)
Other adjustments including minority	33.30	(4.53)
Operating profit before working capital changes	9,831.73	9,104.61
Movement in working capital		
Decrease/ (increase) in sundry debtors	(1,307.43)	(2,057.84)
Decrease/(Increase) in loans and advances	(371.06)	(70.48)
Decrease/(increase) in inventories	(1,792.59)	(1,162.20)
Increase/ (decrease) in current liabilities and provisions	1,072.30	(429.02)
Cash generated from operations	7,432.95	7,709.47
Direct taxes paid (net of refunds)	(1,821.24)	(1,389.42)
Net cash from operating activities	5,611.71	6,320.05
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	(5,860.84)	(3,261.98)
Proceeds from / (Investment in) Fixed Deposits (net)	(796.75)	(78.41)
Proceeds from sale of fixed assets	252.95	8.03
Dividend and Interest income	224.83	194.65
Net cash used for investing activities	(6,179.81)	(3,137.71)
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from term loans (net of repayment)	1,995.07	392.46
Proceeds from ESOPs	-	-
Dividend and tax thereon Paid	(1,327.35)	(2,654.69)
Interest / Finance charges paid	(696.66)	(814.59)
Net cash from (used for) financing activities	(28.94)	(3,076.82)
Net increase in cash and cash equivalents (A+B+C)	(597.04)	(105.52)
Cash and cash equivalents at the beginning of the year	1,291.07	1,185.55
Cash and cash equivalents at the end of the year	694.02	1,291.07
Components of Cash and Cash Equivalent		
Balances with Banks	659.79	1,269.70
Cheques, drafts on hand	-	-
Cash on hand (including foreign currency notes)	34.23	21.37
Total	694.02	1,291.07

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

For and on behalf of the Board of Directors

Himanshu Baid

Managing Director

DIN: 00014008

Rishi Baid

Executive Director

DIN: 00048585

Place : New Delhi

Date : 10.05.2017

J.K.Oswal

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.
Investments in Associates are accounted by using equity method of accounting as laid down under Accounting Standard(AS) 23, 'Accounting for investment in Associates in Consolidated Financial Statements'. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the acquisition date.
- 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 2017	Financial year ends on
Subsidiary			
U.S. Safety Syringes Co., LLC	USA	75%	31-Mar-17
Poly Medicure (Laiyang) Company Limited	China	100%	31-Mar-17
Associates			
Ultra For Medical Products Company (Ultra Med)	Egypt	23%	31-Dec-16

The financial results of one of the subsidiary namely U.S. Safety Syringes Co., LLC for the year ended 31.03.2017 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. The Company has adopted straight line method for computation of depreciation charged.
- 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 and is shown net of excise duty.
- 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.

1 SHARE CAPITAL

	(₹ in Lacs)	
	As at 31 March 2017	As at 31 March 2016
Authorised share Capital		
120,000,000 (Previous Year 60,000,000) Equity Shares of ₹ 5 (Previous Year ₹ 5) each	6,000.00	3,000.00
Issued, subscribed & paid up shares		
88,226,880 (Previous Year 44,113,440) Equity Shares of ₹ 5 (Previous Year ₹ 5) each fully paid up	4,411.34	2,205.67
Total	4,411.34	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 2017		As at 31 March 2016	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	44,113,440	2,205.67	44,113,440	2,205.67
Add: Issued during the year by way of Bonus Shares	44,113,440	2,205.67	-	-
Outstanding at the end of year	88,226,880	4,411.34	441,113,440	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 2017, the Company has declared and paid interim dividend two times and the amount of per share interim dividend declared and paid to equity share holders is ₹ 2 per equity share of ₹ 5 each (Previous Year interim dividend ₹ 2.5)

During the year ended 31st March 2017, the amount of per share final dividend recognized as distribution to equity shareholders is ₹ 0.50 per equity share of ₹ 5 each (previous year ₹ 0.50 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 2017		As at 31 March 2016	
	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	-	-	6,176,261	14.00%
M/s. Ezekiel Global Business Solutions LLP	12,363,186	14.01%	-	-
Shri Rishi Baid	9,826,048	11.14%	4,913,024	11.14%
M/s. Zetta Matrix Consulting LLP	8,319,660	9.43%	-	-
M/s. BS Trade Invest Private Limited	-	-	4,129,414	9.36%
Shri Himanshu Baid	8,074,624	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 during the period of five years immediately preceding financial year ended 31 March

The Company has allotted 11012500 fully paid-up equity shares of face value ₹ 10/- each during the financial year ended 31st March 2014, pursuant to bonus issue approved by the shareholders through postal ballot.

The Company has allotted 44113440 fully paid-up equity shares of face value ₹ 5/- each during the financial year ended 31st March 2017, pursuant to bonus issue approved by the shareholders through postal ballot.

2 RESERVES AND SURPLUS

	(₹ in Lacs)	
	As at 31 March 2017	As at 31 March 2016
Capital Reserves		
Surplus on re-issue of forfeited shares	13.19	13.19
Application money received on Preferential Warrants issued to promoters forfeited	33.79	33.79
Capital reserve on change in interest in equity of associates	166.67	248.81
Securities Premium Account		
Balance at the beginning of the year	83.60	83.60
Add: Additions during the year	(83.60)	-
Closing Balance	-	83.60
Foreign Currency Monetary Translation Account		
Balance at the beginning of the year	(3.69)	(49.69)
Add: Additions during the year (refer note no. 36)	54.79	46.00
Closing Balance	51.10	(3.69)
Employees Stock Option Outstanding Account (net of options lapsed)		
Balance at the beginning of the year	-	-
Addition on account of employees stock option granted	63.75	-
Less: Transferred to Share premium Account on allotment of options	-	-
Less: Deferred Employee Compensation Expenses	(40.15)	-
Closing Balance	23.60	-
General Reserve		
Balance at the beginning of the year	10,756.90	8,756.90
Less: Utilized for issue of Bonus Shares during the year	(2,122.07)	-
Add: Additions during the year	2,500.00	2,000.00
Closing Balance	11,134.83	10,756.90
Foreign currency fluctuation reserve	8.58	50.69
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	9,443.89	8,203.66
Add: Additions during the year	5,231.93	4,826.79
Less: Dividend / Dividend tax adjusted for previous year	-	6.26

(₹ in Lacs)

Less: Interim Dividend and tax thereon	(1,061.88)	(1,327.35)
Less: Proposed Final Dividend and tax thereon	(530.94)	(265.47)
Less: Transferred to General Reserve	(2,500.00)	(2,000.00)
Closing Balance	10,583.00	9,443.89
Shares in reserves in associates	13.67	25.22
Government Grants (Deferred Income Approach)		
Capital Investment Subsidy		
Balance at the beginning of the year	5.07	8.65
Add: Additions during the year	-	-
Less: Adjusted against depreciation (Refer Note no. 25)	(3.58)	(3.58)
Closing Balance	1.49	5.07
Grand Total	20,029.92	20,657.47

3 LONG TERM BORROWINGS

	Non-current portion As at 31 March		Current maturities As at 31 March	
	2017	2016	2017	2016
Secured				
(i) Term loans from banks	4,443.77	3,081.38	1,973.98	1,650.54
(ii) Others - Vehicle Loan from banks	51.13	1.36	14.73	2.27
From others	80.63	23.54	39.94	8.52
(iii) Deferred payment liabilities	193.32	-	52.75	55.45
(iv) Equipment Financing	-	-	-	77.63
Amount disclosed under the head "other current liabilities" (note 9)	-	-	2,081.40	1,794.41
Total	4,768.85	3,106.28	-	-

3.1 Term loan comprise of the following:

	Non-current portion As at 31 March		Current maturities As at 31 March	
	2017	2016	2017	2016
From Bank				
Rupee Loan	3,925.43	1,279.72	798.88	462.50
Foreign Currency Loan	518.34	1,801.66	1,175.10	1,188.04

(₹ in Lacs)

3.2 Terms of repayment:

Lending Institution	Weighted average Rate of interest (P.A.)	Installments	Outstanding as at 31 march 2017	Annual repayment schedule			
				2017-18	2018-19	2019-20	2020-21 to 2022-23
Rupee Loan	9.61%	Qtr/Mon	4,724.31	798.88	1,699.26	991.47	1,234.70
Foreign Currency Loan	4.64%	Qtr	1,693.44	1,175.10	420.00	98.34	-
Others - Vehicle Loan	8.95%	Monthly	186.43	54.67	58.39	53.01	20.36
Deferred Payment Liabilities	11.00%	2 in a year	246.07	52.75	55.24	55.24	82.84

3.3 Details of security:

- Term Loans from State Bank of India are secured by way of first charge on entire fixed assets of the Company (present & future) including equitable mortgage of factory land & buildings (except land and building located at plot no. 80 & 81, Sector 59, Faridabad and plot no. 34, Sector 68, IMT, Faridabad and Industrial plot No. PA-10-018, Mahindra SEZ, Jaipur) and second pari pasu charge on entire current assets of the company and are further secured by personal guarantee of Managing Director and Executive Director.
- Term Loan from Citi Bank NA is secured by way of first exclusive charge on immovable property and movable fixed assets located at plot No. 80 and 81, Sector 59, Faridabad and are further secured by way of personal guarantee of Managing Director and Executive Director.
- Term loan from The HongKong and Shanghai Banking Corporation Limited is secured by exclusive first charge on entire fixed assets including land and building and plant and machinery at plot no. 34, Sector 68, IMT Faridabad and are further secured by way of personal guarantee of Managing Director and Executive Director.
- Vehicle Loans are secured by hypothecation / lien of the respective vehicles.
- Deferred payment liabilities represents assets acquired on deferred credit limits.

4. DEFERRED TAX LIABILITY (NET)

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

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

Component	As at 31 March 2017	As at 31 March 2016
Deferred Tax Liabilities:		
(i) Difference in depreciation between Accounting books and tax Return	1,592.94	1,308.06
Total	1,592.94	1,308.06
Deferred Tax Assets:		
(i) Provision for retirement benefits	(75.22)	(98.24)
(ii) Provision for Bonus	(28.21)	(9.15)
(iii) Provision for doubtful debts and advances	(15.88)	(17.30)
(iv) On others	-	-
Total	(119.31)	(124.69)
Net Deferred Tax liability (Assets)	1,473.63	1,183.37

(₹ in Lacs)

5 OTHER LONG TERM LIABILITIES

	As at 31 March 2017	As at 31 March 2016
Security Deposits from Agents	507.83	401.94
Total	507.83	401.94

6 PROVISIONS

	Long Term As at 31 March		Short term As at 31 March	
	2017	2016	2017	2016
Provision for employee benefits				
Gratuity	233.00	175.33	22.83	19.32
Leave Encashment	99.58	81.88	11.95	8.05
Other provisions				
Provision for Income Tax	-	-	3.48	210.24
Proposed dividend	-	-	441.14	220.57
Tax on proposed dividend	-	-	89.80	44.90
Total	332.58	256.51	569.20	503.08

7 SHORT-TERM BORROWINGS

	As at 31 March 2017	As at 31 March 2016
Secured - from banks		
Cash / Export Credit Loan	3,229.90	3,345.59
Total	3,229.90	3,345.59

Working Capital limits from State Bank of India, Citi Bank N.A. and The HongKong & Shanghai Banking Corporation Limited are secured by way of first pari-passu charge on entire stocks and book debts both present and future secured by second pari-passu charge on entire fixed assets by way of Equitable Mortgage and also by personal guarantee by Managing Director and Executive Director.

8 TRADE PAYABLES

	As at 31 March 2017	As at 31 March 2016
Trade payables (including acceptances)	4,185.52	3,087.15

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.

(₹ in Lacs)

Particulars	As at 31 March 2017	As at 31 March 2016
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	92.91	35.01
— Interest due	0.09	-
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 each 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 OTHER CURRENT LIABILITIES

	As at 31 March 2017	As at 31 March 2016
Current maturities of long-term borrowings (Refer note no. 3)	2,081.40	1,794.41
Interest accrued but not due on borrowings	5.41	0.29
Interest accrued and due on borrowings/Security deposits	71.28	49.90
Advance from customers	177.81	361.52
Unpaid dividends	15.74	15.20
Other payables		
Statutory dues	251.52	304.65
Employees related liabilities	1,081.53	980.06
Payables for capital goods	214.36	404.48
Others	51.90	78.47
Total	3,950.95	3,988.98

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

NOTE No. 10: FIXED ASSETS

(₹ in lacs)

Sr. No.	Particulars	Gross Block			As at 1 April 2016	Depreciation/Amortisation			Net Block	
		Additions	Sales / adjustment	As at 31 March 2017		For the Year	On Sales / Adjustments	As at 31 March 2017	As at 31 March 2016	As at 31 March 2016
A	Tangible Assets									
1	Freehold Land	1,346.08	321.06	1,667.14	-	-	-	1,667.14	1,346.08	
2	Leasehold Land	862.18	-	862.18	31.94	9.28	-	820.96	830.24	
3	Building	2,895.28	284.04	3,179.32	744.09	100.91	-	845.00	2,151.19	
4	Plant & Machinery	22,391.75	3,065.91	25,221.38	9,799.60	1,934.93	106.45	11,628.08	12,592.15	
5	Furniture & Fixtures	329.33	53.58	382.91	165.48	31.08	-	196.56	163.85	
6	Office Equipment	380.85	174.14	554.88	279.19	62.20	0.01	341.38	101.66	
7	Vehicles	635.49	274.78	907.82	257.79	99.72	1.47	356.04	377.70	
	Total Tangible Assets	28,840.96	4,173.51	32,775.63	11,278.09	2,238.12	107.93	13,408.28	17,562.87	
B	Intangible Assets									
1	Software	203.70	526.74	730.44	132.90	61.60	-	194.50	535.94	70.80
2	Patent & Trade Marks	814.58	163.95	978.53	213.50	72.82	-	286.32	692.21	601.08
	Total Intangible Assets	1,018.28	690.69	1,708.97	346.40	134.42	-	480.82	1,228.15	671.88
	Total	29,859.24	4,864.20	34,484.60	11,624.49	2,372.54	107.93	13,889.10	20,595.50	18,234.75
	Previous Year	26,114.72	3,799.30	29,859.24	9,567.89	2,106.47	49.87	11,624.49	18,234.75	-

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 2017
Tangible Assets			
Building	279.59	3.89	275.70
Plant & Machinery	174.74	19.75	321.14
Furniture & Fixtures	5.04	1.01	9.04
Office Equipment	6.56	7.50	13.26
Intangible Assets			
Software	24.43	20.11	35.13
Total	490.36	52.26	654.27
Previous Year	48.01	29.21	216.17

2. Borrowing cost of ₹ 9.20 lacs (previous year ₹ 71.58 lacs) have been included in additions to Fixed Assets.

11 NON-CURRENT INVESTMENT

(₹ in Lacs)

	As at 31 March 2017	As at 31 March 2016
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments - fully paid		
Investment in associates		
59,800 (previous year 52,900) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	327.72	442.21
Total (Aggregate amount of Unquoted Investment)	327.72	442.21

12 LOANS AND ADVANCES

	Long Term As at 31 March		Short term As at 31 March	
	2017	2016	2017	2016
(Unsecured, considered good unless stated otherwise)				
Capital Advances	1,327.70	760.91	-	-
Security Deposits				
Considered good	125.80	124.87	48.92	31.57
Considered doubtful	-	-	7.09	3.66
Less: Provision for doubtful deposits	-	-	(7.09)	(3.66)
Other loans and advances				
Advance for goods / services				
Considered Good	-	-	336.48	365.04
Considered Doubtful	-	-	7.71	7.08
Less: Provision for doubtful advances	-	-	(7.71)	(7.08)
Loans and advance to employees	1.00	-	12.43	2.84
Prepaid Expenses	-	1.45	57.65	86.22
Balance with revenue authorities	-	-	951.08	697.92
Service tax and VAT refundable	-	-	54.07	43.25
Advance tax/ tax deducted at source (net of provision)	310.72	403.68	-	-
Total	1,765.22	1,290.91	1,460.63	1,226.84

13 OTHER ASSETS

	Non-current As at 31 March		Current As at 31 March	
	2017	2016	2017	2016
Export benefits receivable	-	-	653.26	473.34
Interest accrued on bank deposits	16.87	20.85	90.47	127.44
Premium on forward contracts	-	-	77.39	93.50
Dividend / Governing council share from associates	-	-	19.08	47.72
Other receivable	-	-	18.09	20.53
Non-current bank balances (refer note 16)	409.68	315.62	-	-
Total	426.55	336.47	858.29	762.53

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)

14 INVENTORIES

(Valued at lower of cost and net realisable value)

	As at 31 March 2017	As at 31 March 2016
Raw Materials including packing materials	3,710.22	2,970.99
Goods-in transit	333.39	55.30
Work-in-progress	990.31	593.42
Finished Goods	761.20	871.71
Stock-in-trade	4.86	1.57
Stores and spares	592.65	107.05
Total	6,392.63	4,600.04

Additional disclosure regarding inventories**Raw Materials including packing materials**

Plastic granules	1,359.03	801.30
PVC Sheet	125.79	124.42
SS Tube	144.27	221.87
Boxes	94.61	53.04
Medical paper	300.12	269.27
Other miscellaneous items	1,686.40	1,501.09
	3,710.22	2,970.99

Work-in-progress

I V Cannula	331.77	151.76
Blood Bag	42.77	79.62
Others	615.77	362.04
	990.31	593.42

Finished Goods

I V Cannula	148.59	97.51
Blood Bag	80.73	67.95
Others	531.88	706.25
	761.20	871.71

Stock in trade

Others	4.86	1.57
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15 TRADE RECEIVABLES

(₹ in Lacs)

	As at 31 March 2017	As at 31 March 2016
Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	9,327.28	7,926.73
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	225.83	370.98
Unsecured, considered doubtful	31.09	39.25
Less: Provision for doubtful debts	(31.09)	(39.25)
Total	9,553.11	8,297.71

	Outstanding As at 31 March		Maximum balance outstanding during the year ended	
	2017	2016	2017	2016
Trade receivable includes:				
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	555.89	199.97	1,166.21	649.06
Due from Ultra For Medical Products (UMIC), being associate Company	470.91	477.74	580.95	540.70

16 CASH AND BANK BALANCES

	Non-current As at 31 March		Current As at 31 March	
	2017	2016	2017	2016
Cash and cash equivalent				
Balances with Banks				
In current and cash credit accounts	-	-	71.70	73.51
In deposit accounts, with original maturity of less than 3 months	-	-	588.09	1,196.19
Cheques, drafts on hand	-	-	-	-
Cash on hand (including foreign currency notes)	-	-	34.23	21.37
Other Bank balances				
Balance with Banks in unpaid dividend accounts	-	-	15.74	15.20
Held as margin money	367.85	304.23	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	1,568.43	866.28
Deposits with original maturity for more than 12 months	41.83	11.39	-	-
Amount disclosed under the head "other assets" (Refer note 13)	(409.68)	(315.62)	-	-
Total	-	-	2,278.19	2,172.55

17 REVENUE FROM OPERATIONS

(₹ in Lacs)

	Year ended 31 March 2017	Year ended 31 March 2016
Sale of products		
Manufactured goods	44,861.40	40,532.48
Traded Goods	603.45	785.08
Other operating revenues		
Export Incentives	661.02	397.10
Sale of scrap	88.56	78.66
Less: Excise duty	(685.47)	(567.60)
Total	45,528.96	41,225.72

Additional disclosures in respect of sale of products**Finished goods sold**

I V Cannula	17,503.78	14,603.17
Blood Bag	3,544.55	3,185.22
Others	23,813.07	22,744.09
	44,861.40	40,532.48

Traded goods sold

Safety scalp vein set	176.37	222.93
Others	427.08	562.15
	603.45	785.08

18 OTHER INCOME

	Year ended 31 March 2017	Year ended 31 March 2016
Interest Income	183.88	211.87
Other non-operating income		
Provisions / Liabilities no longer required written back (net)	110.15	49.37
Gain on fixed assets sold/discarded	122.03	3.12
Gain on Foreign Exchange Fluctuation (net)	625.36	467.71
Miscellaneous Income	67.47	94.52
Total	1,108.89	826.59

19 COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

	Year ended 31 March 2017	Year ended 31 March 2016
Raw Material Consumed		
Inventory at the beginning of the year	2,473.88	3,391.79

(₹ in Lacs)

Add: Purchases during the year	11,920.38	9,763.21
Less: Inventory at the end of the year	3,001.13	2,473.88
Cost of raw material consumed (A)	11,393.13	10,681.12
Packing Material Consumed		
Inventory at the beginning of the year	497.11	733.84
Add: Purchases during the year	3,885.19	3,173.81
Less: Inventory at the end of the year	709.10	497.11
Cost of packing material consumed (B)	3,673.20	3,410.54
Total (A+B)	15,066.33	14,091.66

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	6,133.97	4,761.36
PVC Sheet	622.80	488.08
SS Tube	470.53	377.61
Other miscellaneous items	4,165.83	5,054.07
	11,393.13	10,681.12

Packing Material Consumed

Boxes	840.50	921.99
Medical paper	807.99	853.50
Others	2,024.71	1,635.05
	3,673.20	3,410.54

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

	Year ended 31 March 17	Year ended 31 March 2016	(Increase) / Decrease
Inventories at the end of year			
Finished Goods and Stock in Trade	766.06	873.28	107.22
Work in progress	990.31	593.42	(396.89)
	1,756.37	1,466.70	(289.67)
Inventories at the beginning 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

(₹ in Lacs)

21 EMPLOYEE BENEFITS EXPENSES

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus	8,022.73	6,878.70
Gratuity Expenses	75.51	49.25
Contributions to Provident Fund and others	529.27	472.72
Staff Welfare Expenses	118.59	76.82
Total	8,746.10	7,477.49

22 RESEARCH AND DEVELOPMENT EXPENSES

	Year ended 31 March 2017	Year ended 31 March 2016
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	527.98	561.58
Employee benefits expenses including gratuity of ₹ 6.05 lacs (previous year ₹ 2.90 lacs)	304.16	244.62
Power and Fuel	32.36	33.20
Travelling & Conveyance	20.07	15.51
Other Misc Expenses including payment to auditors ₹ 0.15 lacs (previous year ₹ 0.15 lacs)	18.81	16.22
Total Revenue Expenses	903.38	871.13
Capital Expenditure	490.36	48.01
Total amount spent on Research and Development	1,393.74	919.14

23 OTHER EXPENSES

	Year ended 31 March 2017	Year ended 31 March 2016
Consumption of stores and spare parts	790.87	530.16
Power and Fuel	1,678.04	1,522.08
Job Work Charges	3,933.26	3,198.24
Other Manufacturing Expenses	80.85	61.50
Repairs to Building	44.75	44.75
Repairs to Machinery	216.96	377.01
Repairs to Others	51.98	44.59
Excise Duty on closing stock	9.40	33.84
Insurance (Net)	181.49	183.00
Rent	145.20	151.11
Rates, Taxes & Fee	79.62	39.06
Travelling & Conveyance	660.73	533.77
Legal & Professional Fees	1,014.54	682.01
Auditors' Remuneration	17.42	15.66

(₹ in Lacs)

Commission and Sitting Fees to Non-Executive Directors	60.02	65.65
Donations	62.63	83.00
Bank Charges	174.97	197.79
Advertisement	5.23	4.07
Commission on sales	353.20	235.24
Freight & Forwarding (Net)	608.94	493.59
Business Promotion	429.51	279.78
Exhibition Expenses	177.81	166.21
Rebate, Discounts & Claims	95.83	109.22
Provision for Doubtful debts / Advances	-	5.92
Bad debts /Misc. Balances written off	14.59	33.46
CSR Expenditure	116.61	93.45
Other Miscellaneous Expenses	375.94	326.42
Total	11,380.21	9,510.68

24 FINANCE COST

	Year ended 31 March 2017	Year ended 31 March 2016
Interest expense	676.80	555.16
Other borrowing costs	9.17	4.46
Exchange difference to the extent considered as an adjustment to borrowing costs	37.19	237.52
Total	723.16	797.14

25 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of tangible assets	2,238.12	2,016.75
Less: Transfer to Pre-operative expenses	-	-
Amortisation of intangible assets	134.42	89.72
Gross Total	2,372.54	2,106.47
Less: Amortisation of Government Grants (refer note no. 2)	(3.58)	(3.58)
Net Total	2,368.96	2,102.89

(₹ in Lacs)

26 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
a Contingent liabilities not provided for:		
Show Cause notices from excise department (Amount paid ₹ 2.94 lacs, Previous Year ₹ 2.94 lacs)	58.78	58.78
Claim against the company not acknowledged as debt	14.07	12.80
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	119.55
b Obligations and commitments outstanding:		
Unexpired letters of credit ₹ 680.55 lacs (Previous year ₹ 427.46 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 539.07 lacs (Previous year ₹ 444.76 lacs), (Net of margins)	1,219.62	872.22
Bills discounted but not matured	1,175.17	1,356.12
Custom duty against import under Advance Licence Scheme	5.88	98.09
Custom duty against import under EPCG Scheme	668.17	88.39
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	3,483.71	949.29

27 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Currency	(₹ in Lacs) 31 March 2017	Amount in foreign currency	(₹ in Lacs) 31 March 2016	Amount in foreign currency	Amount in INR
		Amount in foreign currency		Amount in foreign currency		
Trade Receivable	GBP	-	-	0.46	-	43.63
	EURO	17.85	1,235.89	10.06	-	758.01
	USD	10.48	833.39	18.77	-	1,243.38
Advance against goods and Other Receivable	USD	13.31	862.94	7.90	-	523.33
	EURO	4.90	339.59	2.31	-	174.12
	EGP	5.37	19.10	5.37	-	47.72
	SGD	0.76	35.19	-	-	-
	JPY	59.31	34.37	-	-	-
Advance from customers	USD	1.73	67.68	4.12	-	272.95
	EURO	0.67	46.35	1.80	-	135.69
	GBP	-	-	0.01	-	0.52
Import Payables	USD	18.28	1,185.03	25.09	-	1,662.00
	EURO	1.87	129.39	0.76	-	57.37
	JPY	-	-	188.44	-	111.16

(₹ in Lacs)					
Patents	USD	0.23	15.08	0.92	60.66
	EURO	0.34	23.65	0.51	38.31
	SGD	0.05	2.10	0.09	4.66
	JPY	1.65	0.95	9.76	5.76
	GBP	0.05	3.67	0.07	6.55
	AUD	-	-	0.05	2.51
Legal and Professional Charges	USD	-	-	0.27	17.61
	AUD	9.07	448.67	0.02	1.02
	SGD	-	-	0.01	0.26
	GBP	-	-	0.00	0.14
	EURO	0.01	0.59	0.07	5.61
Commission Payable	USD	1.86	120.76	2.14	141.81
	EURO	0.06	4.10	0.06	4.50
Borrowings	USD	46.15	2,987.23	68.18	4,517.07

28 Financial Risk Management

The company's activities expose it to a variety of financial risks : currency risk, interest rate risk, credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize adverse effects from the unpredictability of financial markets on the company's financial performance

Currency risk

The Company derives significant portion of its revenue in foreign currency, exposing it to fluctuations in currency movements. The Company has laid down a foreign exchange risk policy as per which senior management team reviews and manages the foreign exchange risks in a systematic manner, including regular monitoring of exposures, proper advice from market experts, hedging of exposures, etc.

The Company enter into foreign exchange forward contract, to mitigate foreign exchange related risk exposure and are entered into to hedge the payment of monetary assets or monetary liability in balance sheet.

Details in respect of the outstanding foreign exchange forward contracts are as under:

Particulars	Hedged Item	Risk	Currency	31-Mar-17 ₹ in Lacs	31-Mar-16 ₹ in Lacs
Foreign exchange forward contract	Firm Commitment	Sell	USD	3,797.30	2,605.61
			EURO	20.16	290.23
		Buy	GBP	243.41	-
			JPY	318.64	

Interest rate risk

Interest rate risk primarily arises from floating rate borrowings. The Company's borrowing portfolio requires interest rates to be reviewed by the lending agencies on an annual basis and is influenced by industry factors as well as Company's financial performance.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

i) Trade and other receivables

Credit risk is managed through credit approvals, establishing credit limits, continuous monitoring of creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company also assesses the financial reliability of customers taking into account the financial condition, current economic trends and historical bad debts and ageing of accounts receivables.

ii) Investments

The Company limits its exposure to credit risk by generally investing with counterparties that have a good credit rating. The Company has funded defined-benefit gratuity plans. The funded status of these plans are influenced by movements in financial market. A negative performance of the financial markets could have a material impact on cash funding requirements.

iii) Cash and Cash equivalents

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's risk exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. Since the counter party involved is a bank, Company considers the risks of non-performance by the counterparty as non-material.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's finance department is responsible for fund management. In addition, processes and policies related to such risks are overseen by senior management.

- 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 are as under:

A List of related parties and relationships**a) Associate**

Ultra For Medical Products (UMIC), Egypt

b) Key Management Personnel

- 1 Shri Himanshu Baid, Managing Director
- 2 Shri Rishi Baid, Executive Director
- 3 Shri J. K. Oswal , C.F.O.
- 4 Shri Avinash Chandra, Company Secretary

c) Relatives of Key Management Personnel

- 1 Shri J. K. Baid, Director (relative of Managing Director & Executive Director)
- 2 Shri Vishal Baid, President (Corporate Sales & Marketing), (relative of Managing Director & Executive Director)
- 3 Smt. 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 Polycure Martech Ltd.

(₹ in Lacs)

B Transactions with related parties

Description	Associate		Key Management personnel		Enterprises controlled by key management personnel and their relatives	
	Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year
Sales of Goods	870.39	904.14			1,914.53	1,418.64
Ultra for Medical Products Egypt	870.39	904.14				
Vitromed Healthcare					1,914.53	1,418.64
Purchases of Goods	24.74	-			30.22	82.45
Ultra for Medical Products Company	24.74	-			-	-
Vitromed Healthcare					30.22	82.45
Job work					3,651.72	3,003.55
Vitromed Health Care					3,651.72	3,003.55
Rent received					0.24	0.24
Vitromed Healthcare					0.24	0.24
Rent paid					1.61	1.51
Jai Polypan Pvt. Ltd.					1.61	1.51
Directors / Key Managerial Personnels' Remuneration			724.44	712.94		
Mr. Himanshu Baid			342.98	341.13		
Mr. Rishi Baid			337.60	334.00		
Mr. J. K. Oswal			37.35	32.64		
Mr. Avinash Chandra			6.51	5.17		
Salary and perquisites			42.72	36.28		
Mr. Vishal Baid			42.72	36.28		
Commission and Sitting fees			19.25	20.65		
Mr. J. K. Baid			9.75	10.45		
Mrs. Mukulika Baid			9.50	10.20		
Dividend / Share Governing Council due	-	40.90				
Ultra for Medical Products Company	-	40.90				
Outstanding balances at the year end						
Dividend / Share Governing Council outstanding	19.08	47.72				
Ultra for Medical Products Company	19.08	47.72				

			(₹ in Lacs)	
Director's Remuneration / Salary payable	279.42	262.65		
Shri Himanshu Baid	137.34	129.10		
Shri Rishi Baid	137.17	129.86		
Shri Vishal Baid	1.91	1.73		
Shri J. K. Oswal	2.53	1.58		
Shri Avinash Chandra	0.47	0.38		
Commission Payable	13.50	13.50		
Shri J. K. Baid	6.75	6.75		
Smt. Mukulika Baid	6.75	6.75		
Trade Receivable	470.91	477.74	555.89	199.67
Vitromed Healthcare	-	-	555.89	199.67
Ultra for Medical Products Company	470.91	477.74	-	-
Trade Payable / Payable for capital goods	24.74	-	207.17	-
Vitromed Healthcare	-	-	207.17	-
Ultra for Medical Products Company	24.74	-	-	-

- 31** Additional information as required by Paragraph 6 of the General Instructions for Preparation of Balance Sheet to Schedule III to the Companies Act, 2013 with respect to details of Specified Bank Notes (SBNs) held and transacted during the period 8.11.16 to 30.12.16.

	SBNs	Other	Total
Closing cash in hand as on 08.11.2016 (*)	36.75	10.24	46.99
Add:			
Withdrawal from Banks	-	17.91	17.91
Receipts for permitted transactions	-	0.19	0.19
Less:			
Paid for permitted transactions	-	18.80	18.80
Deposited in Banks	36.75	0.05	36.80
Closing cash in hand as on 30.12.2016 (*)	-	9.49	9.49

* As certified by the management

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Net profit after tax available for equity share holders (₹ In lacs)	5,231.93	4,826.79
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	88,226,880	88,226,880*
Basic Earnings per share(in ₹)	5.93	5.47

(₹ in Lacs)

Diluted Earnings per Share

Weighted Average no. shares outstanding during the year	88,226,880	88,226,880*
Effect if dilutive issue of stock options	21,250	-
Weighted Average no. shares outstanding for diluted EPS	88,248,130	88,226,880*
Diluted Earnings per Share (in)		
* Adjusted for issue of Bonus Shares in Financial Year 2016-17	5.93	5.47

33 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	1.78 %	470.51	-3.17 %	(166.11)
US Safety Syringes Co., LLC, USA	0.00 %	(1.02)	-	-
Associate Company				
Ultra for Medical Products, Egypt	-	-	1.12%	58.71
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.

34 PAYMENT TO AUDITORS

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Audit Fee	12.00	10.97
Tax audit Fee	1.25	1.25
Limited Review of Results	1.50	1.50
In other capacity		
(a) For Certification work	1.64	0.91
Reimbursement of expenses	1.18	1.18
Total	17.57	15.81

35 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

The company makes contribution towards Provident Fund commissioner. The contribution payable by the company are at the rates specified in the rules of the scheme.

(₹ in Lacs)

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

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Employers' contribution to provident fund * #	365.41	334.94

* 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 ₹1.77 lacs (₹1.92 lacs) to Research and Development Expenses ₹ 8.59 lacs (₹7.19 lacs).

II Defined Benefit Plan

During the year ended 31st March, 2017, the Company has formed a employees gratuity trust which is administrated by Life Insurance Corporation of India (LIC). The Company has also got approval of gratuity trust from principal commissioner of the Income Tax, New Delhi under Rule 2(1) of part C of fourth schedule of Income Tax Act 1961. The Company has started making contribution towards funding the defined benefit plan pertaining to gratuity to LIC. The Leave Encashment liability is not contributed to any fund and is unfunded. The present value of the defined benefit obligation and related current cost are measured using projected unit credit method with actuarial valuation being carried out at balance sheet date. The amount recognized are as under:

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

Particulars	For the year ended 31 March 2017		For the Year ended 31 March 2016	
	Gratuity (Funded)	Leave encashment/ Compensated Absences (Unfunded)	Gratuity (Unfunded)	Leave encashment/ Compensated Absences (Unfunded)
a) Amount recognized in Balance Sheet				
Present value of obligation at the end of the period	260.83	111.53	194.65	89.22
Fair value of plan assets at the end of the period	5.00	-	-	-
Net Liability recognized in the Balance Sheet	255.83	111.53	194.65	89.22
b) Expenses recognized in the Statement of Profit and Loss				
Current service cost	44.65	27.44	32.45	22.12
Interest on defined benefit obligation	16.54	7.58	12.97	6.22
Expected return on plain assets	-	-	-	-
Net actuarial losses (gain) recognized in year	20.37	16.78	4.73	18.95
Expenses recognized in the Statement of Profit and Loss	81.56	51.80	52.15	47.29
c) Change in present value of obligation				
Present value of obligation at the beginning of the period	194.65	89.22	152.54	73.15
Current service cost	44.65	27.44	34.45	22.12
Interest cost	16.54	7.58	12.97	6.22
Actuarial losses (gain)	20.37	16.78	4.73	18.95
Benefits paid	(15.39)	(29.49)	(10.04)	(31.22)
Present value of obligation at the end of the period	260.82	111.53	194.65	89.22

(₹ in Lacs)

d) Change in fair value of assets					
Fair value of plan assets at the beginning of the period	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-
Actuarial gain(losses)	-	-	-	-	-
Contributions by employer	5.00	-	-	-	-
Benefits paid	-	-	-	-	-
Fair value of plan assets at the end of the period	5.00	-	-	-	-
e) Fair value of plan assets					
Fair value of plan assets at the beginning of the period	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-
Actuarial Gain (losses)	-	-	-	-	-
Contributions by employer	5.00	-	-	-	-
Benefits paid	-	-	-	-	-
Fair value of plan assets at the end of the period	5.00	-	-	-	-
Funded status	(255.83)	-	(194.65)	-	-
f) The major category of plan assets as percentage of total plan assets as under:					
Insurer managed funds	5.00	-	-	-	-
Percentage	100%	-	-	-	-
g) The major assumptions used in accounting of defined benefits plans are as under:					
Particulars	Gratuity 2017 (in%)	Leave 2017(in%)	Gratuity 2016 (in%)	Leave 2016 (in%)	
Discount Rate	7.35	7.35	8.50	8.50	
Future salary increase	5.50	5.50	6.00	6.00	
Expected rate of return on assets per annum	-	5.50	-	-	
Employee turnover					
Up to 30 Years	3.00	3.00	3.00	3.00	
From 31 to 44 years	2.00	2.00	2.00	2.00	
Above 44 years	1.00	1.00	1.00	1.00	
Retirement age (in years)	60.00	60.00	60.00	60.00	
h) The amounts for the current period and previous four period are as under:					
GRATUITY					
i) Assets / Liabilities as on	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Defined benefit obligation	260.83	194.65	152.54	123.14	102.57
Plan Assets	5.00	-	-	-	-
Net Liability	255.83	194.65	152.54	123.14	102.57
ii) Experience on actuarial Gain (Loss) for defined benefit obligation and Plan Assets					
On Defined benefit obligation	0.70	(4.73)	(0.35)	2.44	7.07
On Plan Assets	-	-	-	-	-
iii) Enterprise best estimate of expense for the next Annual reporting period is ₹ 83.16 lacs.					

(₹ in Lacs)

LEAVE ENCASHMENT

i) Assets / Liabilities as on	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Defined benefit obligation	111.53	89.22	73.15	59.26	52.93
Plan Assets	-	-	-	-	-
Net Liability	111.53	89.22	73.15	59.26	52.93
ii) Experience on actuarial Gain (Loss) for defined benefit obligation and Plan Assets					
On Defined benefit obligation	(6.89)	(18.95)	(17.47)	(8.20)	(11.85)
On Plan Assets	-	-	-	-	-

iii) Enterprise best estimate of expense for the next Annual reporting period is ₹ 36.10 lacs.

36 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 amortized over the balance period of such long term assets or liabilities. Pursuant to such adoption, a sum of ₹ 51.10 lacs is remained to be amortized over the balance period of such assets or liabilities. Had the option not being exercised, the profits of the company would have been higher by ₹ 54.79 lacs.

37 Borrowing cost of ₹ 12.46 Lacs (previous year ₹ 7.46 Lacs) have been included in capital work in progress.

38 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. The company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers. The geographical segments information is as under:

a) Geographical segments – Standalone company

Year ended 31.03.2017	Europe	Gulf & Middle East	Latin America	Rest of the World	India	Total
Revenue from Operations						
Sales to external customers	13,105.83	1,584.15	7,265.42	8,453.86	13,504.82	43,914.08
Other segment information						
Segment assets	2,045.39	337.66	1,618.33	1,768.02	5,413.83	11,183.23
Allocated assets					33,467.62	33,467.62
Total assets:						<u>44,650.85</u>
Year ended 31.03.2016	Europe	Gulf & Middle East	Latin America	Rest of the World	India	Total
Revenue from Operations						
Sales to external customers	11,940.60	1,168.26	5,320.28	9,283.59	11,826.95	39,539.68
Other segment information						
Segment assets	1,950.00	455.88	828.01	1,500.37	3,338.76	8,073.02
Allocated assets					29,555.96	29,555.96
Total assets:						<u>37,628.98</u>

Note: The above geographical segment figures have been given in respect of standalone company only as other subsidiary companies are not companies incorporated in India.

(₹ in Lacs)

39 LEASES : OPERATING LEASES

- i) The Company has taken six premises under cancellable operating lease. These lease agreements are normally renewed on expiry.
- ii) Lease rental expenses in respect of operating leases: ₹ 145.20 lacs (previous year ₹ 115.11 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 2017 are as follows:

Particulars	Year ended 31 March 17	Year ended 31 Mar 16
Payable not later than one year	41.86	95.91
Payable later than one year and not Later than five year	-	31.80
Total	41.86	127.71

40 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 17	Year ended 31 March 16
1	On Providing Food / vehicle for food distribution	13.21	30.98
2	On promotion of education including provision for scholarship	68.70	46.81
3	On welfare for disabled persons	3.00	12.21
4	On provision for sanitation	-	-
5	On food relief activity	-	-
6	On making available safe drinking water	23.70	-
7	On promotion of health care	8.00	3.45
	Total	116.61	93.45
	Total amount to be spent on CSR activities in accordance with the provision of section 135 of the Companies Act, 2013	140.19	119.54
	Total Amount spent	116.61	93.45
	Unspent amount on CSR activities	23.58	26.09

41 EMPLOYEE STOCK OPTION SCHEME

The Company has formulated "Poly Medicure Employee Stock Option Scheme, 2015 (ESOS 2015)" which was approved by the Shareholders in the annual general meeting held on 28th Sep 2015, in accordance of which the ESOP committee of board of director the company held on 2nd june 2016 has granted ESOP to the eligible employees on the following terms and conditions:

- The vesting period is as under:
 - On completion of 24 months from the date of grant of Options – 50%
 - On completion of 30 month from the date of grant of Options – 50%
- The exercise price of the option is ₹ 50 each, which are to be paid by the employees to the Company on the exercise of the options.

(₹ in Lacs)

The exercise period commences from the date of vesting of the options and expire at the end of 3 months from the date of such vesting.

The vesting period has not commenced yet.

The Company has also formulated "Poly Medicure Employees Stock Option Scheme, 2016 (ESOS 2016)" duly approved by the shareholders in the annual general meeting held on 27th Sep 2016. No option under the said scheme has yet been granted.

42 VALUE OF IMPORTS CALCULATED ON CIF BASIS IN RESPECT OF

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
I Raw Materials	8,967.31	7,512.28
II Traded Goods	557.81	647.84
III Stores, Spares & Packing Materials	1,659.21	1,352.18
IV Capital Items	2,435.80	3,003.15
Total	13,620.19	12,515.45

43 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
I Interest	160.61	153.36
II Traveling Expenses	40.22	34.61
III Legal & Professional Charges	746.80	418.69
IV Commission	183.81	91.07
V Bank Charges	36.38	32.10
VI Exhibition Expenses	119.17	92.11
VII Rates Taxes & Fees	10.05	0.11
VIII Freight and Forwarding	6.77	1.09
IX Rebate and Discounts	7.50	6.99
X Software Expenses	3.13	-
XI Membership Expenses	3.54	-
Total	1,317.98	830.13

44 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 2017		Year ended 31 March 2016	
Holding Company	Value	%	Value	%
1 Raw materials				
Imported	8,666.96	80.05	7,772.46	79.58
Indigenous	2,160.08	19.95	1,994.30	20.42
Total	10,827.04	100.00	9,766.76	100.00

(₹ in Lacs)

2	Stores, Spares & Packing Material				
	Imported	1,526.58	34.20	1,482.74	37.63
	Indigenous	2,937.49	65.80	2,457.95	62.37
	Total	4,464.07	100.00	3,940.69	100.00
	Subsidiary Company				
	Raw Materials, Stores, Spares and Packing Material Consumed	566.09	100.00	914.37	100.00
	Grand Total	15,857.20	100.00	14,621.82	100.00

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

45 EARNING IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
I FOB Value of Exports During the Year	28,006.72	26,164.08
II Others (Freight, settlement amount, Insurance, Commission, fees etc. recovered)	317.52	198.36
III Dividend / Governing Council share from Associates	0.00	40.90
Total	28,324.24	26,403.34

46 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 2017	Year ended 31 March 2016
I Number of Non Resident Shareholders	3	3
II Number of Equity Shares held by them	3,36,000	1,68,000
III Amount of Dividend paid (Gross) (₹ In lacs)	-	-
IV Amount of Dividend paid (Gross) (In USD)	6,122.95	12,546.50
V Year to which dividend relates	2015-16 & 2016-17	2014-15 & 2015-16

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 : 10.05.2017

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

J.K.Oswal
CFO

Rishi Baid
Executive Director
DIN: 00048585

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	31st March 2017	31st March 2017
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 = 9.39 INR	USD 1 USD = 64.84 INR
5.	Share capital	733.32	259.36
6.	Reserves & surplus	(262.81)	(260.38)
7.	Total assets	1,041.97	0.00
8.	Total Liabilities	571.46	1.02
9.	Investments	0.00	0.00
10.	Turnover	1,550.77	0.00
11.	Profit before taxation	(166.11)	0.00
12.	Provision for taxation	0.00	0.00
13.	Profit after taxation	(166.11)	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 Company (UMIC), Egypt
Latest audited Balance Sheet Date	31st December 2016
Shares of Associate held by the company on the year end	
No.	59,800
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	1189.13
Profit for the year	
Considered in Consolidation	58.71
Not Considered in Consolidation	226.15

**NCUI AUDITORIUM
SIRI FORT ROAD, NEW DELHI**



NOTES

[illegible]

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 22nd Annual General Meeting of the Company, to be held on Thursday, the 28th day of September, 2017 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, 2017 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, 2017 together with the report of Auditors thereon.
2.	To Declare dividend on the equity shares for the financial year ended March 31, 2017.
3.	Appointment of Director in place of Shri Himanshu 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.	Appointment of Dr. Sandeep Bhargava as Independent Director.
6.	Approval of Remuneration payable to M/s. Jai Prakash & Co., Cost Accountants, the Cost Auditors of the Company.

₹ 1
Revenue
Stamp

Signed this day of 2017

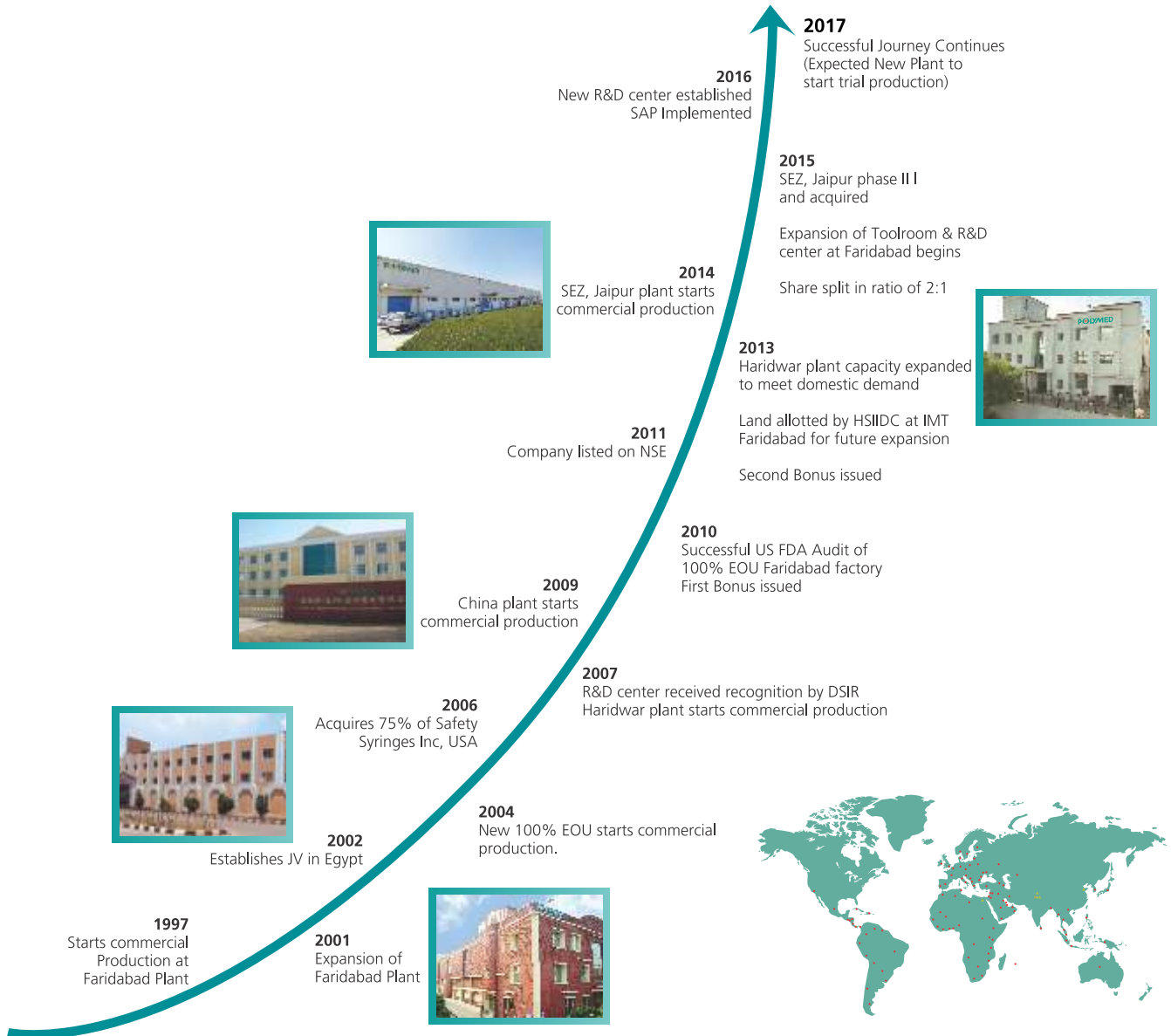
Signature of shareholder Signature of Proxy holder(s)

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.



POLYMED

Medical Devices



If undelivered, please return to:

Poly Medicure Limited

Registered Office :

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

Tel: +91-11-33550700, 26321838 / 99 / 89 / 93 / 81 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)
- Unit-II: Plot No. 115-116, Sector-59, HSIIDC Industrial Area, Ballabgarh, Faridabad-121004 (Haryana)
- Unit-III: Plot No. 17, Sector-3, I.I.E Sidcul, Haridwar-249403 (Uttarakhand)
- Unit-IV : Plot No. PA010-019, Mahindra World City, (SEZ) Jaipur - 302037 (Rajasthan)



www.polymedicure.com