POLYMED
Medical Devices

We Care As We Cure

Poly Medicure Limited

Annual Report 2012-13

innovation

safety

quality

Corporate Information

Board of Directors **Chairman** Sh. Devendra Raj Mehta **Non Executive Directors, Independent Directors** Dr. Sohan Raj Mohnot Sh. Prakash Chand Surana Dr. Shailendra Raj Mehta Sh. Yeshwant Singh Choudhary **Non Executive Director** Sh. Jugal Kishore Baid **Managing Director** Sh. Himanshu Baid **Executive Director** Sh. Rishi Baid **Company Secretary** Ms. Sonia Singh **Key Executives** Sh. Vishal Baid, President (Sales & Marketing) Sh. V.K. Khera, Sr. V P (Operations) Sh. J.K. Oswal, V P (Finance) Sh. Hemant Bhalla, A V P (Sales & Marketing)	**Auditors** M/s Doogar & Associates New Delhi **Bankers** State Bank of India Citibank N.A. **Registrar & Share Transfer Agents** MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 Tel:+ 91(011)-26387281/82 **Registered Office** First Floor,12, Sant Nagar, East of Kailash, New Delhi-110065 **Contact Information** URL: www,polymedicre.com Tel:+91 (11) 26481889, 26481893, 26481899 Fax: 91-11-26481894 Email: investorcare@polymedicure.com

CONTENTS

LETTER TO THE SHAREHOLDERS

"The Global Economic scenario in Financial Year 2012-13 continued to be fraught with challenges. Major economies have witnessed slower growth. As the year progressed, Business environment remained difficult and operating in such a testing environment proved challenging."

Dear Shareholders,

The Healthcare Market has been growingly steadily in India. 'India's growing population along with low penetration of Healthcare Facilities, increased incidence of Non Communicable Diseases (NCD's), greater affordability, expanding insurance coverage and supportive government schemes are the key drivers of Health Care Industry.

At Poly Medicure, We will continue to focus on strengthening our core competencies by laying emphasis on technological up-gradation, advancement in Innovation and people's empowerment. Our aim is to acquire technical competence, understanding the evolving needs of customers and timely delivery the best quality products.

Your Company has made considerable progress in the execution of its strategy this year, and achieved best in class performance in terms of Production growth and resources utilization.

ROBUST FINANCIAL PERFORMANCE

Your Company's net turnover for the Financial Year 2012-13 was ₹ 252.61 Cr., growth of 20% over the previous year, I am also happy to report that your company continuous to improve its profitability and posted a net profit of ₹ 24.03 Cr. registering a growth of 24% over the previous year. The earning per share of the Company increased to ₹ 21.82 in FY 2012-13 from ₹ 17.49 in FY 2011-12.

This performance is the result of hard work and commitment of our employees' across the organization and on behalf of the Board, I would like to congratulate, them for their excellent performance.

STRATEGIC GROWTH INITIATIVES

Our Strategy of continuously moving up the value chain with wider geographic reach and ongoing investments in R&D have yielded Excellent Results in FY 2012-13, The Company showed remarkable growth in the business of Medical Devices and thus, decided to establish a new manufacturing Unit at Jaipur (Rajasthan) in Mahindra SEZ, which is expected to start commercial operations in last quarter of the current Financial Year.

BONUS AND DIVIDEND

The Company announced Bonus Shares in the ratio of 1:1 in the Board Meeting of the Company held on 13th May, 2013 and the same was approved in the Extra Ordinary General Meeting of the Company on 29th June, 2013. The Company has also proposed to pay dividend ₹ 2/-per share on post Bonus Issued Share Capital.

FUTURE OUTLOOK

We believe that our Company continues to be on a strong growth trajectory thereby ensuring high value creation to all the stakeholders. Our business is expected to be in continuous growth momentum. We remain committed to strengthen our product Portfolio through higher investments in R&D and innovation. However, we will continue to exercise cost discipline at various operational level to sustain current margins.

I believe, we have a opportunity to shape the future by investing ahead of the curve in building the right skills. Your Company is ready to anticipate and leverage the next big opportunity by identifying the trends that impact the business and Society and shape them.

I thank you for the faith that you reposed on your Company and also thank every stakeholder viz. Shareholders, employees, Bankers and customers/partners for being a part of this growth and value creation.

I look forward to your continued support as your Company embarks on the next phase of its Growth Journey.

Devendra Raj Mehta
Chairman

New Delhi
Date: 31st July, 2013

NOTICE

Notice is hereby given that the 18th Annual General Meeting (AGM) of the members of "**Poly Medicure Limited**" will be held on Friday, the 27th September, 2013 at 10:00 a.m at Bipin Chandra Pal Memorial Auditorium, A-81, Chittranjan Park, New Delhi- 110019, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit & Loss for the year ended on that date and the Report of the Directors and Auditors thereon.

2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2013.

3. To appoint a Director in place of Shri Jugal Kishore Baid who retires by rotation, and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri Yeshwant Singh Choudhary, who retires by rotation, and being eligible, offers himself for re-appointment.

5. To appoint M/s Doogar & Associates, Chartered Accountants (Firm Reg. No. 000561N) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

Item No. 6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT in supplement to the resolution passed in the Annual General Meeting held on 08th September, 2011 and in pursuance to the provisions of Section 81(1A) and all other applicable provisions if any, of the Companies Act, 1956, ("the Act"), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the ESOP Guidelines") [including any statutory modification(s) or re-enactment of the Act or the ESOP guidelines for the time being in force], the Listing Agreement entered into Stock Exchanges where the Securities of the Company are listed or other relevant authority, and subject to such approval(s), permission(s), sanction(s) and approvals consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board"), which term shall be deemed to include any committee including ESOP Compensation Committee of the Board constituted in terms of ESOP Scheme, 2011, to alter and amend the ESOP Scheme 2011 and to offer, issue and allot in one or more tranches under the said amended ESOP Scheme 2011 at any time to or to the benefit of the employee(s) who have been granted ESOPs under ESOP Scheme 2011, an additional 16,730 options in addition to options already granted to the employees under ESOP Scheme, 2011.

RESOLVED FURTHER that the other terms and conditions of the resolution passed by the Shareholders in the Annual General Meeting held on 08th September, 2011 shall remain unchanged.

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

Place: New Delhi
Date: 31st July, 2013

By order of the Board of directors
For Poly Medicure Limited

Regd. Office: First Floor,
Sant Nagar, East of Kailash,
New Delhi-110065.

Sonia Singh
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Members/Proxies should produce the enclosed attendance slip duly filed and signed in accordance with the specimen signature registered with the Company for attending the meeting and also bring their copy of the Annual Report.

3. Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representative to attend and vote at the ensuing Annual General Meeting so as to reach the Company on or before Friday, 27th September, 2013.

4. Pursuant to the provisions of Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books will remain closed from Monday, 23rd September, 2013 to 27th September, 2013 (both days inclusive).

5. An Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto.

6. The dividend on Equity Shares as recommended by the Board, if approved, at the ensuing Annual General Meeting will be paid to those Members whose names appear on the Company's Register of Members as on 27th September, 2013. The dividend in respect of shares held in electronic form, will be paid to the beneficial owner of Shares whose name appear in the list furnished by the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

7. 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.

8. The Ministry of Corporate Affairs (M.C.A.) vide its Circular Nos. 17/ 2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively have clarified that a Company would be deemed to have complied with the provisions of Section 53 and 219(1) of the Companies Act, 1956, if documents like Notices, Annual Reports etc. are sent in electronic mode to its member.

Accordingly, the said documents of the Company for the Financial Year ended 31st March, 2013 will be sent in electronic mode to those members who have registered their e-mail address with their DP and made available to the Company by the Depositories. However, in case a Member wishes to receive a physical copy of the said document, he/she is requested to send an e-mail to investorcare@polymedicure.com quoting his DP ID & Client ID or the Folio No. as the case may be.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Markets. Members holding shares in electronic form are, therefore requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Transfer Agents viz. M/s Mas Services Limited.

10. It will be appreciated if the queries, if any, regarding accounts and operations of the Company are sent ten days before the date of Meeting.

11. Members holding shares in physical form are requested to notify changes in their particulars, quoting their folio numbers to the Registrar and Transfer Agent of the Company i.e. MAS Services Limited, having office at T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020 and those who hold shares in demat form to their Depository Participant (DP) with whom de-mat accounts are opened.

12. 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, we request to the shareholders holding shares in physical form to dematerialize their shares at the earliest.

13. In terms of Section 205C of the Companies Act, 1956, the Central Government has established "Investor Education and Protection Fund"(IEPF) and any amount of dividend remaining unclaimed/unpaid for a period of seven years from the date it becomes due for the payment should be transferred to this fund. Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof. Members wishing to claim dividend, which remain unclaimed, are requested to correspond with the Company at its Registered Office at First Floor, 12, Sant Nagar, East of Kailash, New Delhi –110065.

14. The Securities Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the Depository for crediting dividend. The Company has made arrangement for crediting the dividend through National Electronics Clearing Services (NECS)/Electronic Clearing Services (ECS) to Investors where NECS/ECS facility is available. Members are holding Shares in Electronic Form, are requested to therefore, give details regarding bank accounts in which they wish to receive dividend, through their Depository Participants (DPs). Members holding shares in physical form and desirous of availing the NECS/ECS Facility, are request to update their bank detail and send it to the Company's Registrar and Share Transfer Agents viz. Mas Services Limited directly.

15. The brief profile of the Board of Directors proposed to be re-appointed, is given in the Section on Corporate Governance forming part of this Annual Report.

<u>Annexure to the Notice:-</u>

Item No. 6: The Company has always believed in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on a growth path. The Board of Directors of the company has decided to grant additional options to the employee(s), to whom options had already been granted under ESOP Scheme, 2011 in order to motivate the employees.

(A) Total Number of Options to be granted.

(a) Total number of additional Options to be granted in addition to the options already granted under this Scheme shall not exceed 0.5% of the total paid up Share capital.

(b) One additional Option to be granted, entitles the holder of the Options to apply for one Equity Share credited as fully paid up of the Company.

(B) Period of Vesting and/or maximum period of vesting:

The vesting period for conversion of such options are as follows:-

On completion of 12 months from the date of grant of an additional options: 100% vest.

(C) Exercise Price or Pricing Formula

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

The other salient features of ESOP Scheme 2011, as disclosed in explanatory statement with resolution passed in Annual General Meeting held in 2011, will remain unchanged.

Place: New Delhi — **By order of the Board of directors**
Date: 31st July, 2013 — **For Poly Medicure Limited**

Regd. Office: First Floor,
Sant Nagar, East of Kailash,
New Delhi-110065.

Sonia Singh
Company Secretary

DIRECTORS' REPORT

Your Directors take a pleasure in presenting their Eighteenth Annual Report on the business and operations of your Company along with the Audited Statements of accounts and financial performance for the year ended on 31st March, 2013. You will be pleased to know that your Company continues to maintain steady growth in its operating and financial performance during the Financial Year 2012-13.

Financial Performance

(₹ in Lacs)

Parameters	F.Y. 2012-13	F.Y. 2011-12
Revenue from Operations (Net)	25,223.79	20,891.86
Add: Other Income	36.76	61.95
Total Revenue	25,260.55	20,953.81
Profit before Interest, Tax, Depreciation and Amortisation (EBITDA)	**5,152.02**	**4,577.28**
Depreciation & Amortisation Expenses.	1,182.06	995.52
Finance Cost	589.78	693.36
Profit Before Tax	3,380.18	2,888.40
Tax Expense	977.26	962.44
Profit for the Year	**2,402.92**	**1,925.96**
Total amount available for appropriation	5,216.27	4,197.33
Proposed Dividend	440.50	330.38
Dividend Tax	74.86	53.60
Amount transferred to General Reserve	1,000.00	1,000.00
Surplus carried to Balance Sheet	3,700.91	2,813.35

During the year under report, total income increased to ₹ 25,260.55 lacs from ₹ 20,953.81 lacs in the previous year, registering a growth of 20.55%. EBIDTA amounted to ₹ 5,152.02 lacs as against ₹ 4577.28 lacs in the preceding year which translates into a expansion of 12.56%. Profit Before Tax (PBT) stood at ₹ 3,380.18 lacs up by 17.03% from ₹ 2,888.40 lacs in the previous year.

Setting up another Manufacturing Plant at Jaipur

In view of the growing demand for the Company's products, the Company has taken necessary action for implementation of the new project at Jaipur (Rajasthan). The total cost of this project is ₹ 38 cr approx., which is proposed to be funded by Term Loan of ₹ 21 cr. and balance of ₹ 17 cr. through Internal accruals.

Development of New Products

The Company is paying attention to Research & Development and has dedicated technical staff and facilities for the development of new products, improvement of existing ones, improved manufacturing practices and for all these purpose the Company has spent a sum of ₹ 450.03 lacs in the year under review.

Subsidiaries/Joint Ventures/Associates

Briefly, the subsidiary companies performed as follows:

- **Poly Medicure (Laiyang) Co. Ltd, China** - The Company achieved a turnover of ₹ 751.84 lacs as on 31st March, 2013 against ₹ 812.07 Lacs in the previous year ended on 31st March, 2012.
- **US Safety Syringes Co., LLC, USA** – The Company has not done any business activities during the year under review.

The Company has one Joint Venture in Egypt, viz.

- **Ultra for Medical Products, Egypt –** The Joint Venture is performing well and has achieved sales of ₹ 3440.92 lacs ended on 31st December 2012 against ₹ 2,834.36 lacs in the previous year.

Dividend

In keeping with the Company's tradition of rewarding the Shareholder's, yours directors' were pleased to recommend a dividend @ ₹ 2.00 per Equity Share of face value of ₹ 10/- each consisted of expanded capital in view of the Bonus Issue. The dividend, if approved at the ensuing Annual General Meeting, it will be paid to those Shareholders whose names appear on the Register of Members of the Company and in respect of shares held in demat form and Physical Form and it will be paid to the those Members whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on the date of book closure, i.e., from Monday, 23rd September, 2013 to Friday, 27th September, 2013 (inclusive of both days). The dividend would involve an outflow of ₹ 440.50 lacs towards dividend and ₹ 74.86 lacs towards dividend distribution tax, resulting in a total outflow of ₹ 515.36 lacs.

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

During the Year under review, the Company has transferred ₹ 76,964, 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 2004-05 which remained unclaimed by the shareholders of the Company for a period exceeding 7 years from its due date of payment.

Transfer to Reserves

The Board of Directors has proposed to transfer ₹ 1,000.00 lacs to General Reserves out of the amount available for appropriations and balance of ₹ 3,700.91 lacs is being carried to the Balance Sheet.

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

The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated 8th February 2011, has provided an exemption to companies from complying with Section 212(8), provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2012-13 does not contain the Financial Statements of the subsidiary Companies. The audited annual accounts and related information of subsidiary companies will be made available on request of the Shareholders. These documents will also be available for inspection during the business hours at our Registered Office.

Fixed Deposits

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

Quality

The Company continues its journey of delivering value to its customers. The Company adopted several external benchmarks & certifications. Poly Medicure is certified under various standards to meet the clients' demands & enhanced value delivery. The Company has been accredited with the International Quality Certifications i.e. ISO successfully implemented a well-documented QMS (Quality Management System) which has been accredited by SGS Systems and Services Certifications, United Kingdom with ISO 9001:2008, ISO-13485:2003 and CE mark from DNV, Norway thus making the entire product range compliant with International Quality Standards.

Credit Rating

Your directors are pleased to inform you that, the well known rating agency, CRISIL Limited, has reaffirmed as A/Stable rating for fund based facility and A1 for non fund based facility certifications respectively for the Company.

Foreign Currency Fluctuations

As a major portion of Company's revenue is in Foreign Currency and major portion of expenditure in Indian Currency, the Company is exposed to Foreign Currency Fluctuation Risk.

The Company has a review and control mechanisms to 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.

Cost Auditor

Pursuant to the Circular issued by the Ministry of Corporate Affairs Circular, vide F. No. 52/26/cab-2010 dated 06th November, 2012, your Company is required to conduct Cost Audit for the Financial Year 2013-14. Accordingly, Cost Auditors have been appointed to carry out the Cost Audit of the Company for the Financial Year 2013-14.

Auditors and Auditors' Report

M/s Doogar & Associates, Chartered Accountants, (Reg. No.000561N) Statutory Auditors of the Company hold office upto the conclusion of ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made by the Company for the year 2013-14 will be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

Notes on accounts referred to in the Auditors' Report are self- explanatory and do not call for any further comments.

Secretarial Audit Report

As measure of good Corporate Governance practice, the Board of Directors of the Company appointed Shri B.K. Sethi, Practicing Company Secretary, to conduct Secretarial Audit of records and documents of the Company.

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

Employee Stock Options Scheme

The Company in its employee compensation committee dated 31st July, 2013, amended the Employee stock option scheme, to further grant 16,730 Options to the existing Optionee of the Company.

Pursuant to the provisions of the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, the details of Stock Options as on March, 2013 under the **"Employee Stock Option Scheme, 2011"** ("Scheme") are set out as **Annexure-I**

Increase in the Authorised Share Capital

In order to facilitate the Capitalisation of General Reserves and Securities Premium Account to the extent of Bonus Shares, during the Year, Your Company has increased its Authorised Share Capital from ₹ 15,00,00,000/- (Rupees Fifteen Crores only) to ₹ 30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000 (Three Crores) Equity Shares of ₹10/- each as approved by Shareholders in its Extra-Ordinary General Meeting held on 29th June, 2013.

Bonus Issue

During the year, the Allotment committee of the Board at its meeting held on 11th July, 2013 has allotted 1,10,12,500 Equity Shares of ₹ 10/- each as fully paid up Bonus Shares in the ratio of one new fully paid-up Equity Shares of ₹ 10/- each to one fully paid-up Equity Shares of ₹ 10/- each held by existing shareholders as on record date by way of Capitalization of Reserves.

Listing

The Shares of your Company are listed at Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The Listing fees to the Stock Exchanges for the year 2013-14 have been paid.

Directors

Sh. Jugal Kishore Baid and Sh. Yeshwant Singh Choudhary, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Brief resume of the aforesaid Directors are furnished in the Corporate Governance Report and Notice of Annual General Meeting of the Company.

Industrial Relations/Human Resources Management

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

Corporate Governance

Your Company 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 for sustainable growth of the business and for enhancement of Stakeholders value. The Corporate Governance and Management Discussion Analysis Report, form an integral Part of this Report and are set out separate sections to this Annual Report.

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

All Board Members and Senior Management Personnel have affirmed compliance with code of conduct as applicable to them for the year ending on 31st March, 2013. A declaration to this effect is signed by Sh. Himanshu Baid, Managing Director, is annexed to this Report.

Directors' Responsibility Statement

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

(i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) Appropriate accounting policies have been selected and applied them consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the Profit of the Company for the year ended on that date;

(iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) The annual accounts of the Company have been prepared on a "going concern basis".

Management Discussion and Analysis Report

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

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

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

Particulars of Employees

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

Acknowledgements & Appreciation

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

Yours Directors wish to place on record their gratitude for valuable assistance and co-operation extended to the Company by the Central Government, State Government, Joint Ventures Partners, Banks, Institutions, Investors and customers. The Directors look forward to a bright future and further growth with confidence.

For and on behalf of the Board of Directors

New Delhi	D.R. Mehta	Himanshu Baid
31st July, 2013	Chairman	Managing Director

Annexure I

ESOP Disclosure in Directors Report

(As per Clause 12 of SEBI (ESOS and ESOP) Guidelines, 1999)

Sr. No.	Particulars	ESOS 2011
A	Options granted	20440 (One option = One equity share)
B	Pricing Formula	The latest available closing price on Bombay Stock Exchange Limited on 8th September 2011, preceding the date of grant i.e. 9th September 2011 - ₹ 302 per share (Discounted grant per share - ₹ 50)
C	Options vested	Nil
D	Options exercised	Nil
E	Total number of shares arising as a result of exercise of Option	N.A.
F	Options lapsed / cancelled	3710
G	Variation of terms of Options	None
H	Money realized by exercise of Options	Nil
I	Total number of Options in force	16730
J	Employee wise details of Options granted to – i. Senior managerial Personnel ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during the year iii. Employee getting Options more than 1% of issued Equity Share Capital, during the year	 None None None
K	Diluted Earning Per Share (EPS), pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard-20 Earning Per Share	21.79
L	The difference between employee compensation cost using intrinsic value method and the fair value of the Options and impact of this difference on profits and on EPS	Had Fair value method been adopted for expensing the compensation arising from employee share based payment plans: The employee compensation charge debited to the Statement of Profit and Loss for the year 2012-13 would have been lower by ₹ 0.14 lacs. The impact of difference on profit is immaterial. Hence, there is no change in Basic EPS and Diluted EPS per share.
M	Weighted average exercise price and weighted average fair values of Options granted during the year where exercise price either equals or exceeds or is less than the market price of the stock	Nil

Sr. No.	Particulars		ESOS 2011
N	Method of calculation of employee compensation cost		Intrinsic value method
	Significant assumption used to estimate the fair value of options granted during the year		
	(a)	Risk free interest rate	8 %
	(b)	Expected life	2.375 Year
	(c)	Expected volatility	28 %
	(d)	Expected dividends	1 %
	(e)	The price of the underlying share in market at the time of option grant	₹ 302

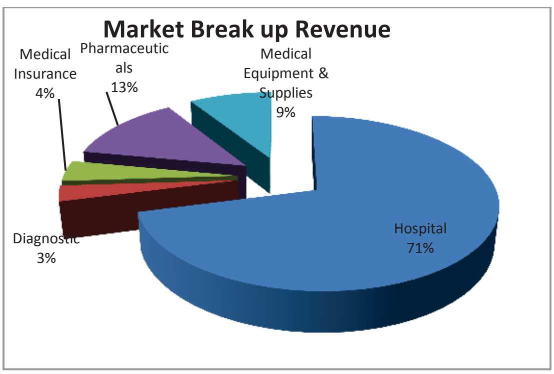
Annexure-II

Management Discussion Analysis Report

<u>An Overview: Healthcare</u>

Healthcare Industry Prospects

Healthcare Industry has become one of India's largest sectors in terms of revenue. Of the total Healthcare revenue in the country, Hospitals account for 71 percent, Pharmaceuticals 13 percent, Medical Equipment and supplies (Medical Devices) 9 percent, Medical Insurance 4 percent and Diagnostic 3 percent.



According to the Investment commission of India, the Healthcare Industry in India has experienced remarkable expansion of 12 percent per year during the last four years, driven by number of factors such as increase in the Life Expectancy, average income levels and rising awareness for health insurance among the people. Rising demand from the growing middle class in India's large cities is fuelling growth in the private healthcare. "Large National and State Government Programmes will spur growth along with Primary care sector and Public Health domain" as per Anurag Gupta, Research Director, Gartner.'

As the demand for healthcare services in India is growing, delivering affordable healthcare to India's billion-plus population itself presents enormous challenges and enormous opportunities for the medical community and other services providers. RNCOS in its latest report, "Indian Healthcare Industry – New Avenues for growth", says that India represents a splendid investment opportunity in the Healthcare sector with ever growing population and continued rise in the diversity of diseases.

According to "Price Water House Coopers" (PwC) driving growth factors are rising population, increasing disposable income, increasing lifestyle related health issues, cheaper treatment costs, thrust in medical tourism, improving health insurance penetration, government initiatives and focus on public private partnership (PPP) models. Healthcare in India today provides existing and new players with a unique opportunity to achieve innovation, differentiation and profits. In the next decade, increasing consumer awareness and demand for better facilities will redefine the country's second largest service sector employer. PwC understands the healthcare system as well as the dynamics that drive it. Ours is an industry aligned, market focused practice to provide greater value addition and more effective solutions. Most Indian metros have hospitals with world-class infrastructure, processes and outcomes. However, 70% of the healthcare infrastructure is confined to the top 20 cities of India. In order to reach the remaining population, innovations both in healthcare products and delivery are required."

According to the World Health Organization (WHO), norms for developing countries, India has an acute shortfall of doctors/practitioners, nurses (1.4 million and 2.8 million, respectively) besides, acute shortage of paramedical and administrative professionals.

Growth Drivers

- Rising incomes means a steady growth in ability to access healthcare and related services. Changing demographics has also been contributing to greater healthcare spending; this is likely to continue with the size of aged population set to rise from the current 96 million to about 168 million by 2026. Increase in incidence of Non Communicable Diseases (NCD's) such as heart diseases, cancer, diabetes etc. have also contributed to rising healthcare spending by individuals.

Greater awareness is increasing demand for specialized and better quality healthcare facilities.

- In India, private healthcare accounts for almost 68 % of the country's total Healthcare Expenditure. Rising incomes have led to greater affordability of superior quality private sector healthcare facilities. Private players have also been constantly innovating in their efforts to provide better healthcare services to a wider customer base.
- Presence of world class hospitals and skilled medical Professionals has strengthen India's position as preferred destination for medical tourism. The growth in this sector is underscored by the cost advantage that India provides to the patients from developed countries and Middle East. Notably, India also attracts medical tourists from developing nations due to lack of advanced medical facilities in a number of developing countries.
- The Private Sector has emerged as a vibrant force in India's Healthcare Industry, lending it both national and international repute. In fact, Private Sector accounts for more than 65 percent of Primary Care Centers. Private Sector growth has been fuelled by increase in the number of hospitals in Tier II and Tier III cities.
- Per capita Healthcare Expenditure has increased in recent years and this is on account of rising incomes, easier access to high quality healthcare facilities and greater awareness about personal health and hygiene.

Strong Policy Support

- **Encouraging Investments in Rural Areas-** Tax benefits have been extended to new hospitals with 100 beds or more that are set up in rural areas.

- **Tax Incentives:** Custom duty on Life saving equipment has been reduced to 5% from 25% and exempted from countervailing duty. Custom duty on Medical Equipment has also been reduced to 7.5%.

National Health Mission (NHM):-National Health Mission inclusive of National Flagship Programme National Rural Health Mission and National Health Rural Mission allocated Rs. 21,229 crore in the 2012-13 budgets, a 24% increase over the allocation to NRHM in 2011-12 budget. A National Programme for the elderly has been launched under which 8 geriatric centres would be set up with an allocation of Rs.150 crore. The department of Alternative System of Medicine, also referred to as AYUSH, has been allocated Rs. 1,061. The six AIIMS-like Institute, to be commissioned by 2014 have been granted Rs. 1,650 cr. and also expansion of the Pradhan Mantri Swasthya Suraksha Yojna to upgrade seven additional Medical Colleges has been undertaken.

Focus Area under the 12th Five Year Plan: The share of Healthcare in total plan allocations is set to rise to 2.5 percent of GDP in the 12th plan from 0.9 percent in the 11th Plan. The National Rural Health Mission (NRHM), introduction of district wise projects and setting up of more Medical Institutions reflect the seriousness of Policy focus on Healthcare.

Increased penetration of Health Insurance: Health Insurance is gaining momentum in India. The Health Insurance Industry expanded at a CAGR of 34.7% between FY 2006 to 2012. The fast pace of growth is expected to continue in the coming years as well. The share of population having Medical Insurance is likely to increase manifold in coming years, from the present 2%. This trend is likely to contribute, thereby benefitting the country's Healthcare Industry.

Supportive Policy driving FDI Inflows: 100 percent FDI is permitted for all health and medical services under the automatic route. Demand growth, cost advantage and policy support have been instrumental attracting FDI in Healthcare Sector.

Notable Trends in the Indian Healthcare Sector.

- **Shift from communicable diseases to Non Communicable Diseases (NCD's):** With increasing urbanization and the problems related to modern day living in urban settings, 50% of spending on in patient beds currently is for NCD's, which has resulted in increased demand for specialized care.

- **Expansion in Tier-II and the Tier –III Cities:** There is a substantial demand for high quality and specialty healthcare infrastructure in Tier-II and Tier-III Cities. In order to encourage the private sector to establish hospitals in these cities, Government has relaxed the tax burden on these hospitals for the five years.

- **Emergence of Telemedicine:** Telemedicine is the fastest emerging sector in India, a number of major hospitals have adopted telemedicine services and have entered into number of PPPs.

Conclusion

Though the Industry is growing reasonably, challenges faced by the Industry should not be neglected to maintain its growth. It's wake up call for Indian Healthcare Industry policy makers. The current challenges should be addressed holistically at the level of various organizations, which is possible with innovative thinking.

Also, Indian Healthcare players should control their costs, improve quality and diagnose existing problems in a futuristic way. Indian Healthcare Policy makers should analyze the initiatives that are taken around the globe, which have demonstrated effective new ways to reach and interact with patients and treat them at significantly lower costs with improved quality. The real challenge here is how to implement, not how to invent. Given the pressure on health systems everywhere, players should do everything possible to help organizations adopt thoughtful and futuristic innovations and thereby reap the benefits.

The Company's Role

In pursuance of the foregoing healthcare perspective at the National level, your company is engaged in making its contribution through its business of manufacture and sale of Medical Devices in both, viz. Domestic and Export markets. The Company's performance is very assuring in both the markets.

Risks, Concern & Threats

Poly Medicure has designed and developed robust processed to identify key risks and priorities and relevant action plans that can mitigate the risks, have been adopted. Some of the following key Risks that may impact on the Company's business are:

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

Currency Risks: With a majority of its products being exported, Company's revenue are primarily in Foreign Currency. This gives the company significant exposure to Foreign Exchange Fluctuation risks. The currency exposures are managed through Foreign Risk Management and Hedging Policy. The exposure is reviewed periodically to ensure that the risk is appropriately managed.

Regulatory Risks: Business in healthcare is subject to Rules & Regulations framed by the Government, as this sector works under stringent Government regulations and requires approvals at each and every stage for new developments. There is also regulatory barrier in the Medical Education sector which needs to be looked into to ensure adequate supply of well trained professionals. Delay in framing regulatory policy for regulating medical devices and their clinical trials will impact the growth of Medical Devices sector. With the product range now in place IPR related activities, will raise competition concerns and thus there is need for preparedness to tackle such problems. Many global and local players are expanding their manufacturing capacities of Medical Devices in India and abroad to cater to the anticipated growing demand. There is concern that it may result in increased supply vis-à-vis demand, resulting in pricing pressure.

Lack of proper paramedical education systems and shortage of trainings institutes will also slow down growth of Healthcare sector.

The Audit Committee and the Board of Directors have taken full cognizance of the major risks and mitigate them through Risk Management Policy. They also proposed steps to mitigate the same. Accordingly the Company has undertaken comprehensive Risk Analysis, whereby all the risks factors are accounted for and proper action devised to mitigate such risks.

Internal Control Systems and their adequacy

The Company has adequate internal control systems in place and has reasonable assurance on authorizing, recording and reporting transactions of its operations in all materials respects and in providing protection and safeguard against misuse or loss of the assets of the Company. Internal control facilitates accurate and timely compilation of Financial Statements and Management Reports to ensure the regularity of statutory compliances by ensuring high standards of governance and periodic communication with investors. The Company has in place documented procedure covering all financial and operational functions commensurate with the size and complexities of the organization.

Some of the silent features of the Internal Control systems in practice are:

(i) Preparation of Annual Budgets for operations, functions and monitoring the same with actual performance at regular intervals.
(ii) A robust ERP System connecting all the plants enabling to record data for accounting consolidation and management information and seamless flow of information in the respective plants.
(iii) Internal controls are designed in order to reasonably ensure that assets are safeguarded and transactions are properly authorized and defined delegation of authority for revenue as well expenditure.

(iv) A well defined Standard Operating Procedure (SOP) which is align with the best practices and lays down the process of flow along with controls for each activity for effectiveness of Internal Control.
(v) Internal Audit is carried out at regular intervals covering all the plants. (The Observation arising out of the Audit and follow up action are periodically reviewed at the Audit Committee Meetings).
(vi) A detailed presentation to the Audit Committee and to the Board of Directors on business, operational and Financial Risks faced by the Company and the plan of action to mitigate the same.
(vii) All assets are safeguarded and protected against losses and against unauthorized use or disposals. They are also periodically verified.

The Audit Committee also meets with the Statutory Auditors to ascertain, inter alia, their views on the adequacy of Internal Control systems in the Company, keeps the Board of Directors informed of its major observations periodically.

Material Development in Human Resources

The Philosophy of – **"Caring, Sharing, Growing"** lives in everyone's heart in the organization. Taking every piece of it in the years to come, the conviction of Human Resources to prosper with the prosperity of the organization will definitely be realized with more rigors in meeting and beating all challenges.

The Company has created a performance driven environment where innovation is encouraged, performance is recognized and employees are motivated to realize their potential. Our relentless pursuit to connect with the employees on a regular basis, communicate in an open and transparent manner, provide opportunities to learn and grow within the organization are yielding desired results as is evident from high retention rates and the motivation and engagement levels of our employees.

The Company has also launched a performance based reward and recognition programme aimed at enhancing organization/Team Performance.

HR Policy

The basic principles of HR Policies at Poly Medicure include:-

- Following merit based recruitment through well defined and systematic selection procedures to eliminate discrimination.
- Sustaining motivated and quality work force through appropriate and fair performance evaluation, reward and recognition systems.
- Identifying internal training needs; designing and implementing those training programmes to enhance knowledge, skills and employee attitude.
- Planning designing, training, equipping and motivating the staff to meet the standards.

Regular and sustained training programmes form a significant component of Company's functions and operations leading to upgradation of knowledge and skills. The newly recruited employees undergo comprehensive induction programmes. On the job training at shop floor is imparted to the employees to make them aware of the product and quality and method for improving the same. The Company provides Internal and External training programmes to develop internal trainers and to hone their training skill so that they can share their expertise with other employees of the Company.

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

Several External Trainings were organized for up gradation of skills of the employees like (i) Leveraging Supply Chain Management (ii) Floor Care & Personal Hygiene (iii) Six Sigma DMAIC (iv) PREUMATICS (v) TPM (Total Productive Maintenance) (vi) Basics of Statistics (vii) SPC (Statistical Process Control) (viii) Train the Trainer.

Several activities including Kaizen, Key Results Area (KRAs) and other programmes of Team Building were organized among various levels of the employees to bring work life balances and improve work quality. Effective Cost saving measures have become a major part of the employee work profile. The total no. of employees of the Company as on 31st March, 2013 is 1,329.

Value Creation and Wealth Sharing

The journey of the Company is characterized by its maintaining consistency in manufacturing affordable high quality Medical Devices in the domestic as well as international markets. During the year, the Company has crossed a sales of Rs. 250 cr.

In achieving excellence in making the affordable of quality Medical Devices, the Company has not only added value to its customers' but also created significant wealth for its Shareholders and other Stakeholders by issuing the Bonus Shares in the Financial Year 2013-14. By issuing Bonus Shares, the Company is exhibiting confidence and vision to go aggressively forward in pursuing expansion plans to increase Shareholders' wealth.

Outlook for the Year 2013-14

The Prospect of Medical Device Industry looks bright and promising with the growth and allocation of funds in the Healthcare Sector. As mentioned earlier, the major focus is on quality, consistency and productivity which is being upgraded and enhanced by investing in process automation. Quality is one of the major factors for acceptance of our products in more than 80 countries across the globe and major exports go to Europe, South & Central America, Asia, Middle East & Africa. Strong market positions, an extensive portfolio of medical devices and very diverse base of customers in numerous markets make, continually and further growth.

The Company is committed to upscale its human resources skills by imparting extensive Trainings, which will give boost to productivity and waste control management. The Company is poised to enhance capacity of current products and increase product range through innovation and R&D efforts thereby, making affordable quality products available to masses.

The **"POLYMED"** brand is now considered a leading brand in healthcare sector for quality Medical Devices. The Company is committed to increase its market presence by continuously producing innovating in Medical Devices.

Cautionary Statement

Certain statements made in the management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'Forward Looking Statements' within the meaning applicable laws and regulations. Actual Results may differ from such expectations whether expressed or implied. Several Factors could make significant difference to the Company's Operations. These include climatic and economic conditions affecting Demand & supply, Government Regulations and Taxation, Natural Calamities over which the Company does not have any direct control.

Research & Development

Research & Development plays a vital role in developing and adopting new technologies to enhance our operational efficiencies. We develop new technologies to enhance our operational efficiencies. We develop new technologies at the lab scale and engineers work in close co-ordination to seamlessly scale up the process to commercial scale without losing on the efficiency of the process with a lead time comparable to the best in Industry. Six Sigma initiatives, R&D Support, adoption of new technologies and enhancing the efficiencies of our manufacturing plants, the company has been able us to provide better services its our customers.

Research & Development supports the activities of new product and process development, process optimization, absorption of technology and establishing technologies at commercial scale. R&D is focal point for the continuous improvement of the existing processes through the life cycle of the product.

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

Annexure-III

A. Conservation of Energy

(a) Energy conservation measures taken:

The Company has continued its efforts to improve energy efficiency. Various key performance indicators are continuously tracked to monitor progress in line with the organization's overall strategy. Innovative ways and new technology are constantly explored in all the manufacturing units of the Company. Some of the measures adopted during the year were:

i. Synchronization of all Chillers.
ii. Installed On Line UPS on all critical Machines to improve production efficiency during Power Break downs.
iii. Optimal Utilization of all equipments resulting OEE Improvement.
iv. Replacement of existing cooling towers with closed type to reduce water consumption.
v. Replacement of all copper chokes with electronic chokes through-out all manufacturing locations, resulting in Energy savings.
vi. Use of Turbo Ventilator in place of electronic exhaust fan resulting in conservation of energy.
vii. Installation of 'Variable Speed Drives' (VSD).
viii. Replacing conventional electric bulbs by highly efficient CFL Lights.

ix. Efficient maintenance and monitoring of Capacitors for improvement of power factor resulting in conservation of energy.

x. Plugged in line leakages to reduce consumption of compressed air thereby reducing energy consumption.

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

I. Use of recycled water for cooling towers.
II. Installed New VSD Based Air Compressors for reduced energy consumption.
III. Installation of energy efficient Electrical systems.
IV. Harmonics and power factor improvements.
V. Improvement in Productivity.

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

(i) Optimal utilization of resources resulting in overall efficiency improvement.
(ii) Reduce fuel, water, and air and power consumption.
(iii) Reduction in overall energy costs.

(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	2012-13	2011-12
(a)	Foreign Exchange Used	6,664.68	6,402.90
(b)	Foreign Exchange Earned	15,452.59	12,318.86

FORM-A

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

	PARTICULARS	31.03.2013	31.03.2012
A.	POWER AND FUEL CONSUMPTION		
	1. Electricity:		
	a) Purchased Unit (Kwh)	95,52,385	86,89,144
	Total Amount (₹ in lac)	566.31	474.83
	Rate/Unit (₹)	5.93	5.46
	b) Own Generation:		
	i) Through Diesel Generator		
	Units Generated (Kwh)	33,54,985	28,52,684
	Units per liter of Diesel Oil	3.10	3.42
	Cost per unit (₹)	13.31	11.02
	ii) Through furnace Oil		
	Generator/ Steam	-	-
	Turbine/Generator (Unit-Kwh)	-	-
	Units Generated (Kwh)	-	-
	Units per liter of Diesel Oil		
	Cost per unit (₹)		
	2. Coal (Specify quality and		
	where used):	-	-
	Quantity (Tonnes)	-	-
	Total Cost (₹ In Lac)	-	-
	Average Rate (₹/Tonne)		
	3. Diesel/Furnace Oil:		
	(a) Diesel:		
	Quantity (K. Ltrs)	10,80.91	933.05
	Total Cost (₹ in lac)	446.55	354.24
	Average Rate (₹/K. Ltrs)	41,312	37,966
	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)	3,974.09	3,781.00
	Electricity (Kwh) per Lac Nos.	3,247.88	3,053.59
	Furnace Oil (Ltrs.) / Coal / Others	-	-

Form B

Research & Development

1. **Specific Area in which R&D carried out by the Company**
   i. Development of new products for Domestic & Export Market.
   ii. Development of New Raw Materials for specific applications.
   iii. Development of cost effective process for manufacturing of medical devices.
   iv. Development of new innovative technology for the manufacture of existing products and achieve commercial & technical breakthrough.
   v. Quality upgradation in the existing medical devices.
   vi. Optimization of products and processes to minimize waste generation and reduce environment and safety concerns.
   vii. Import substitution and identification of new raw materials for development.
   viii. Development of new design, processes and formulations.
   ix. Development of new products to meet specific customer requirements.
   x. Evaluation and development of new sources for various materials.
   xi. Development of new techniques in making process improvements.

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

   The Research and Development activities are coordinated in fully equipped Research and Development division. Some of the benefits derived as a result of Research and Development are as follows:
   i. Development and commercialization of new products.
   ii. Constant upgradation and adoption of new technology has benefited the Company in form of better production processes, yield and quality.
   iii. Reduction of cycle time in manufacturing process and material consumption.
   iv. Indian and International Patent filings for Protection of Intellectual Property generated during R&D.
   v. Internationally competitive prices and product quality.
   vi. Improved Productivity /Process efficiencies.
   vii. Significant quality improvement in existing products.
   viii. Enhanced Global presence/visibility.

3. **Future plan of action**

   Your Company considers the importance of development of technical capabilities to sustain its competitive position in the market place. In order to address the needs of the customers in a rapidly changing market palace, the Company will continue to strengthen its technical programmes and the skills of its technical personnel. Some of the future plans are as follows:
   i. Commercialization of new products for which the products are under trials at development stage. Several new products have been identified after a thorough study of the market and the process to manufacture these products will be developed through R&D.
   ii. Continuing Strengthening the Research Infrastructure and capabilities complying international norms.
   iii. Continue to develop cost effective and environment friendly processes for manufacturing of quality of Medical Devices.
   iv. Continuing augmenting R&D capabilities and productivity through technological innovation, use of modern scientific and technological techniques, training and development, benchmarking and global networking.
   v. Explore new area of technology for providing low cost solutions to customers.
   vi. Enhance National and International Research networking and strategic alliances.

(₹ in Lacs)

	Expenditure on Research & Development	Year Ended 31.03.2013	Year Ended 31.03.2012
(a)	Capital	50.54	29.03
(b)	Revenue	399.49	258.35
	Total	**450.03**	**287.38**
	Total Research and Development Expenditure as percentage of total turnover.	1.75%	1.36%

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION.

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

The Company has full-fledged Research and Development division which is continuously engaged in Research and Development of new & existing products. The Company has also developed indigenous technology for the products manufactured by it. As soon as the technology is developed for a product, it is tested by Research and Development division and thereafter commercial production is taken up. It is the philosophy of the Company to continuously upgrade the technology.

2. **Benefits derived as results of the above efforts:**

(a) **Product Improvement**: Product performance improved with the introduction of new design and latest technology.

(b) **Cost Reduction:** Changes made in the process have resulted in energy savings and cost reduction.

(c) **Product Development:** Research and Development efforts taken in meeting the new customer requirements & have helped in developing new products and to improve the performance of the existing products.

The continuous up gradation and adoption of new technology has benefited the Company process, better yields, better quality of the end product and effective cost Reduction.

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

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

Annexure-IV

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

Name	Designation	Qualification	Age	Gross Remunerati-on (₹ in Lacs)	Total Experience (Yrs.)	Date of commencement of employment	Last employment
Shri Himanshu Baid	Managing Director	Electronics Engineer	45	182.14	25	20/09/1996	Hanuman Tin Factory Manager
Shri Rishi Baid	Executive Director	BSME, MSME	41	179.13	20	01/08/1997	Miles Pharma Inc. USA Engineer

Notes:

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

For and on behalf of the Board of directors

New Delhi
31st July, 2013

D.R. Mehta
Chairman

Himanshu Baid
Managing Director

REPORT ON CORPORATE GOVERNANCE

The Company's Philosophy on code of Corporate Governance.

Corporate Governance at Poly Medicure 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 practice of each of these creates the right corporate culture that fulfils the true purpose of Corporate Governance.

Control: ensures that freedom of management is exercised within a framework of checks and balances and is designed to prevent misuse of power, facilitate timely management of change and ensure effective management of risks. The Company believes that control is a necessary concomitant of its core principal of governance that the freedom of management should be exercised within a framework of appropriate checks and balances.

Transparency: means explaining the Company's policies and actions to those to whom it has responsibilities. Externally this means maximum appropriate disclosures without jeopardizing the Company's strategic interest and internally, this means openness in the Company's relations with its employees. Poly Medicure believes transparency enhances accountability.

Ethical Corporate Citizenship: means setting exemplary standards of ethical behavior, both internally within the organization, as well as in external relationships. Poly Medicure believes that unethical behavior corrupts organizational culture and undermines stakeholders value. Governance processes in Poly Medicure continuously reinforce and help realize the Company's belief in ethical Corporate Citizenship.

1. Board of Directors

(a) Composition of the Board of Directors.

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

Sh. D. R. Mehta

Sh. Devendra Raj Mehta, aged 76 years, is a Law and Economics Graduate and is a retired I.A.S. Officer. He has held high positions including Chairman of Securities and Exchange Board of India (SEBI), Dy. Governor of Reserve Bank of India (RBI), Director General of Foreign Trade (DGFT) etc. He has over 43 years of rich experience in civil services and has held various positions in the Government of Rajasthan and Government of India. He has vast knowledge and experience in the field of Finance, Corporate Laws, Management, Economics and Capital Markets. He is an alumnus of Alfort Sloan School of Management, M.I.T. Boston (USA) and Royal Institute of Public Administration, London (UK).

Dr. Sohan Raj Mohnot

Dr. Sohan Raj Mohnot, aged 84 years is Ph.D., C.M.C., F.I.M.C.I., F.I.S.T.D. He is an eminent economist and is an international management consultant. He has more than fifty two years of rich experience in the field of Economics and Management Consultancy. He had worked with the United Nations Industrial Development Organization (UNIDO) and United Nations Development Programme (UNDP) as Industrial Economist and team leader. He is Chairman of Centre for Industrial & Economic Research (CIER) and President Emeritus of Indian Society of Training and Development. He has authored widely acclaimed books on management and economics and chaired international conferences in India and abroad.

Sh. Jugal Kishore Baid

Shri Jugal Kishore Baid, a Non Executive director of the Company, aged 71 years is the promoter & founder of the Company. He is a qualified Mechanical Engineer from BITS, Ranchi and has over 38 years of rich experience. He has undergone various industrial training programmes with large and medium sector engineering Companies. In 1967 he joined Hyderabad Allwyn Metal Works as a production engineer. In 1970, he joined his family business, M/s Jai Industrial Works, presently known as Jai Polypan Pvt. Ltd. In 1988, he pioneered in setting up rotational molding technology for the first time in Rajasthan to manufacture multilayered and foam-filled water storage containers under the popular brand name of "POLYCON".

Sh. Yeshwant Singh Choudhary

Shri Yeswant Singh Choudhary a Non Executive, Independent Director, aged 70 years, is post graduate in Electronics from BITS Pilani. He has got 44 years rich experience in managerial positions, project planning & implementation and Financial Management. He served in various Public Limited Companies and was holding very prestigious positions. Currently, he is working as a CEO of M/s Himachal Futuristic Communications Limited (HFCL). He is also on the Board of M/s Moneta Finance Limited.

Dr. Shailendra Raj Mehta

Dr. Shailendra Raj Mehta, aged 54 is a Visiting Professor of Business Policy at the Indian Institute of Management, Ahmedabad and Academic Director of Duke Corporate Education (or Duke CE, the custom corporate education arm of Duke University in the US). He has strong research interests in the areas of Technology Strategy, Entrepreneurship and Simulation.

His research on Simulation has resulted in the creation of Hi-tech Company and a US patent. He has taught/ rendered consultancy to senior leaders worldwide of IBM, Microsoft, Infosys, State Bank of India and others. Prior to returning in India in 2006 to set up collaboration between IIM-A and Duke CE, he taught Economics and Strategy for many years at Purdue University His BA and MA are from Delhi University, his M. Phil is from Balliol College Oxford and his Ph.D. in Economics from Harvard University.

Shri Prakash Chand Surana

Shri Prakash Chand Surana a Non Executive, Independent Director, aged 66 years, was appointed as director on the Board with effective from 22nd day of September, 1997. He is a Chartered Accountant by profession and has 41 years of rich experience in the field of Taxation and Corporate Laws.

Shri Himanshu Baid, Managing Director

Shri Himanshu Baid, Managing Director of the Company, aged 45 years, is an Electronics Engineer. Immediately after completion of Engineering degree, he was associated with manufacturing facility of Philips Communications Industry AG. Nurenberg, Germany. In a career spanning over the years, he has hold several eminent responsibilities including Chief Executive (Marketing) of Polycon International Limited and looked after day to day techno-commercial affairs of that Company. He has been associated with the Company from its Incorporation.

Shri Rishi Baid, Executive Director

Shri Rishi Baid, Executive Director of the Company, aged 41 years, is B.S.M.E and M.S.M.E. (Mechanical) from West Virginia University, U.S.A. He served Miles Pharma Inc. USA. He has been associated with the Company from its Incorporation.

(b) Number of Board Meetings

During the financial year ending 31st March 2013, the Board of Directors met Six times on 28th May, 2012, 31st July, 2012, 28th September, 2012, 29th October, 2012, 09th February, 2013 and 01st March, 2013,. The maximum time gap between any two consecutive meetings did not exceed four months. The names, designation & categories of the Directors on the Board, their attendance at respective Board Meetings held during the year and last Annual General Meeting and total number of Shares held by them in the Company are as under:

Table 1: Details of the Board of Directors

Name of the Directors	Category of Directorship	No. of Board Meetings held / attended	Last AGM Attended	No. of Shares as on 31st March, 2013
Sh. D.R. Mehta (DIN: 01067895)	Non Executive Independent Director	6/5	Yes	Nil
Dr. S.R. Mohnot (DIN: 00006889)	Non-Executive Independent Director	6/6	Yes	12,000
Sh. J.K. Baid (DIN: 00077347)	Non-Executive Director	6/4	Yes	2,84,922
Sh. Y.S. Choudhary (DIN: 00006906)	Non-Executive Independent Director	6/5	Yes	2,000
Sh. P.C. Surana (DIN: 00361485)	Non-Executive Independent Director	6/3	Yes	4,000
Dr. S.R. Mehta (DIN: 02132246)	Non Executive Independent Director	6/5	No	NIL
Sh. Himanshu Baid (DIN: 00014008)	Managing Director	6/6	Yes	10,09,328
Sh. Rishi Baid (DIN: 00048585)	Executive Director	6/6	Yes	12,28,256

Number of other Board and Committees in which your directors are member or chairperson:

Name of the Directors	Category of Directorship	No. of Directorship in other Companies	Committee Positions* Member	Committee Positions* Chairman
Sh. D.R. Mehta (DIN: 01067895)	Non Executive Independent Director	11	2	-
Dr. S.R. Mohnot (DIN: 00006889)	Non-Executive Independent Director	9	2	1
Sh. J.K. Baid (DIN: 00077347)	Non-Executive Director	2	-	-
Sh. Y.S. Choudhary (DIN: 00006906)	Non-Executive Independent Director	2	-	1
Sh. P.C. Surana (DIN: 00361485)	Non-Executive Independent Director	3	-	2
Dr. S.R. Mehta (DIN: 02132246)	Non Executive Independent Director	2	-	1
Sh. Himanshu Baid (DIN: 00014008)	Managing Director	5	-	2
Sh. Rishi Baid (DIN: 00048585)	Executive Director	4	-	1

*Chairmanship/Membership of Audit Committee and Shareholder's Grievance committee in Public Companies including Poly Medicure Limited have been considered.

2. Audit Committee

(a) Composition, Name of the members and Chairperson

The Audit Committee of the members consists of Four Non-Executive Independent directors. The Committee is comprises of Dr. S. R. Mohnot, Sh. Y.S. Choudhary, Sh. P.C. Surana and Dr. Shailendra Raj Mehta, as the members of the committee. The Committee is chaired by Dr. S.R. Mohnot.

During the year under review, four meetings of Audit Committee were held on 28th May, 2012, 31st July, 2012, 29th October, 2012 and 09th February, 2013. The attendances of members therein are as follow:

Table 2: Details of Audit Committee

Name of the Member	Category/Position	No. of Meetings held/attended	Sitting Fees
Dr. S.R. Mohnot	Independent Director/Chairman	4/4	80,000
Shri Y.S. Choudhary	Independent Director/Member	4/4	80,000
Shri P.C. Surana	Independent Director/Member	4/2	40,000
Dr. Shailendra Raj Mehta	Independent Director/Member	2*/2	40,000

*Audit Committee has been reconstituted on 29th October, 2012, induction of Dr. Shailendra Raj Mehta.

The Audit Committee reviews the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concern to the Company. The terms of reference of the Audit Committee constituted by the Board in terms of Section 292A of the Companies Act, 1956 and the Corporate Governance Code as prescribed under Clause 49 of the Listing Agreement broadly includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with Auditors, appointment and remuneration of Auditors, adequacy of disclosures and other relevant matters. In particular, these include:

1. 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.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of Audit Fees.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
   - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
   - Changes, if any, in Accounting Policies and practices and reasons for the same.
   - Major accounting entries involving estimates based on the exercise of judgment by management.
   - Significant adjustments made in the Financial Statements arising out of audit findings.
   - Compliance with listing and other legal requirements relating to financial statements.
   - Disclosure of any related party transactions.
   - Qualifications in the draft Audit Report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. 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.
10. 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.
11. 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.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.

12A. Approval of appointment of CFO (i.e. the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.

13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

- The Company Secretary is also the Secretary to the Audit Committee.
- The Composition of the Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

3 Remuneration Committee

Composition, name of members and Chairperson and terms of reference:

The broad terms of reference of the Remuneration committee are as follows:

(i) Recommend to the Board the remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Whole-time Director.

(ii) Finalize the perquisites package of the Managing Director and Whole-time Director with the overall ceiling fixed by the Board.

(iii) Recommend to the Board, retirement benefits to be paid to the Managing Director and Whole-time Directors under the retirement benefit Guidelines adopted by the Board.

The Company Secretary is also the Secretary to the Remuneration Committee.

Remuneration Policy

(i) Managing Director and Whole time 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 of ₹ 20,000/- (Twenty Thousand only) for attending each meeting of Board of Directors and Committee Meeting thereof.

Details of the sitting fees paid to all the directors for the year ended on 31st March, 2013 are given hereunder:

(in ₹)

Name of the Member	Salary	Commission	Sitting Fees	Total
Sh. D.R. Mehta	-	-	1,00, 000	1,00, 000
Dr. S.R. Mohnot	-	-	2,20,000	2,20,000
Sh. J.K. Baid	-	-	80,000	80,000
Sh. Y.S. Choudhary	-	-	2,00,000	2,00,000
Sh. P.C. Surana	-	-	1,00,000	1,00 ,000
Sh. S.R. Mehta	-	-	1,60,000	1,60,000
Sh. Himanshu Baid	102,14,002*	80,00,000	-	182,14,002
Sh. Rishi Baid	99,12,607*	80,00,000	-	179,12,607

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

Information placed before the Board of Directors:

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

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

4 Shareholders'/Investors' Grievance Committee

Composition, name of members and Chairperson and terms of reference:

An Investors' Grievance Committee was set up to specifically to look into the expeditious redressal of Investors' complaints. The committee consists of three members' viz. Dr. S. R. Mohnot as Chairman and Shri P. C. Surana and Shri Himanshu Baid, as the members of the Committee. The term of reference of the Committee is to specifically look into the redressal of Shareholders' and Investors' complaints like, issue of duplicate Share Certificates, non-receipt of Balance Sheet, non-receipt of declared dividends etc.

Ms. Sonia Singh, Company Secretary is also the Compliance Officer of the Company for complying with the requirements of Listing Agreement with the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Securities and Exchange Board of India (Prohibition of

Insider Trading) Regulations, 1992 & Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

During the year under review, two Investor compliants were received and readdressed.

5 Selection Committee Meeting

Composition, name of members and Chairperson and term of reference

The Committee consists of Four members of which three is Non Executive Independent Director viz. Dr. S.R. Mohnot as Chairman, Sh. Yeshwant Singh Choudhary, Dr. Shailendra Raj Mehta and Sh. Shailey Grover as Member of the Committee.

During the year, the Committee met once i.e. on 9th February, 2013. The minutes of Selection Committee Meeting are reviewed and noted by the Board. The details of composition of the committee, meeting held, and attendances at the meetings are given below:

(In ₹)

Name of the Member	Position	No. of Meetings held / attended	Sitting Fees
Dr. Sohan Raj Mohnot	Chairman	1/1	20,000
Sh. Y.S. Choudhary	Member	1/1	20,000
Dr. Shailendra Raj Mehta	Member	1/1	20,000
Sh. Shailey Grover	Member	1/1	-

6 General Body Meetings

Annual General Meeting(s) conducted during the last three years viz. FY 2009-10, FY 2010-11 and FY 2011-12 are as follows:

Meeting	Date and Time	Venue
15th AGM	Thursday, 7th Sep 2010 at 10:00 AM.	NCUI Convention Centre, 3, Khel Gaon Marg, New Delhi-110016.
16th AGM	Thursday,8th September, 2011 at 10:00 A.M.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi, 110016.
17th AGM	Friday, the 28th September, 2012 at 10:00 A.M.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi, 110016.

Special resolution passed in last three AGMs

AGM 2010

- Alteration of Articles & Association of the Company.
- Assignment of Keyman Insurance Policies in favour of Sh. Himanshu Baid & Sh. Rishi Baid., in respect of the good work assigned by them in improving Shareholders value.

AGM 2011

- Appointment of Sh. Vishal Baid as President (Corporate Business).
- Re-appointment of Managing Director and Executive Director of the Company & variation in their Remunerations.
- Increasing in the sitting fees to the Non Executive Directors of the Company.
- Issue of 20,440 Options in terms of Poly Medicure Employee Stock Option Scheme, 2011.

AGM 2012

None

7 Resolution passed through Postal Ballot

During the Financial Year 2012-13, one meet through Postal Ballots was held by the Company and the following resolutions were passed as Special Resolution.

(i) Resolution passed through Postal Ballot in the Extra Ordinary General Meeting dated 3rd December, 2012

(ii) To alter the Object Clause of the Memorandum of Association of the Company.

(iii) Approval of the Commencement of new Business of the Company.

(iv) Participation of Directors' meeting by Directors through Electronic mode.

(v) Participation in General Meeting(s) by members through Electronic mode.

Mr. B.K. Sethi, a, Company Secretary in Practice, was appointed as the scrutinizer for conducting the aforesaid Postal Ballots. Ms. Sonia Singh, Company Secretary of the Company was responsible for conducting the said Postal Ballots in a fair and transparent manner. The Postal Ballots were conducted in terms of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution through Postal Ballot Rules, 2001) in fair and transparent manner.

Procedure For Postal Ballot

For conducting a Postal Ballot, Notice specifying the resolutions proposed to be passed through Postal Ballot as and also the relevant explanatory statement & the postal ballot forms are dispatched to all the shareholders along with self addressed postage prepaid envelope. The shareholders are requested to send back the postal ballot Forms duly filled up & signed in the postage prepaid envelopes provided to them by the Company, so as to reach the scrutinizer (in whose name the envelopes are made) on or before the specified date from the date of issue of Notice by the Company.

The scrutinizer compiles the postal ballot result out of the postal ballot forms found valid and hand over the Results to the Chairman. The Chairman there upon declares the results of the postal ballot.

8 Disclosure(s)

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

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

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

iv) As on date of reporting, the Company has not adopted any Whistle Blower Policy.

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

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

Further, the Company has adopted following non-mandatory requirement:

Remuneration Committee: Remuneration Committee of the Board of Directors of the Company has been set up and the particulars of the Committee are given in the Report itself.

9 Means of Communication

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

Further, the Company disseminates to the Stock Exchange, wherein its securities are listed, all mandatory information and price sensitive information, which in its opinion are material and/or have a bearing on its performance/ operations, for the information of public at large.

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

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

10 General Shareholders Information:

Annual General Meeting Day, Date and Time & Venue	Friday, the 27th Day of September, 2013 at Bipin Chandra Pal Memorial Auditorium, A-81, Chittranjan Park, New Delhi- 110019
Financial Year	1st April 2012 to 31st March 2013
Date of Book Closure	23rd September, 2013 to 27th September, 2013 (inclusive both days)
Listing of Equity Shares on Stock Exchange(s)	• Bombay Stock Exchange Limited (BSE):- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. • National Stock Exchange of India Limited: - Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Mumbai-400051
Stock Code	BSE Code: POLME, NSE Code: POLYMED
Registrar and Transfer Agents	MAS Services Ltd. T-34, IInd Floor, Okhla Industrial Area, Phase II, New Delhi -110020.
Dematerialization of Shares and Liquidity	The Shares of the Company are under compulsory DMAT mode. Under the depository system the International Security Identification Number (ISIN) allotted to the Company. Respective ISIN is INE205C01013.
Major Plants/ Unit Location(s)	**Unit-I** Plot No. 104-105, Sector-59, HSIDC Industrial Area, Ballabgarh, Faridabad -121004 (Haryana) India. **Unit-II (100% EOU).** Plot No. 115-116, Sector-59, HSIDC Industrial Area, Ballabhgarh, Faridabad -121004 (Haryana) India. **Unit III** Plot No. 17, Sector-3, I.I.E SIDCUL Haridwar, Uttarakhand, India

Address for Shareholder correspondence

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

Mr. Sharwan Mangla	**Poly Medicure Limited**
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: ww.masserve.com	First Floor, 12, Sant Nagar East of Kailash New Delhi - 1100065 Phone No. 011-26481889, 26481893, 26481838 Fax No. 011-26481894, 26481839 Email: investorcare@polymedicure.com Website: www.polymedicure.com

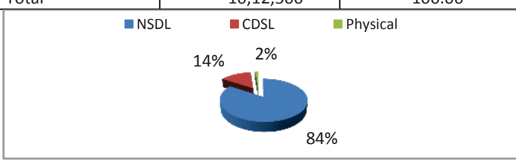
11 Physical Share Transfer System

The Registrar and Transfer Agents (the '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 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.

12 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, 2013 are as under:

Mode	No. of Shares	%age
Physical Mode	1,55,869	1.41
NSDL	92,71,166	84.19
CDSL	15,85,465	14.40
Total	10,12,500	100.00



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

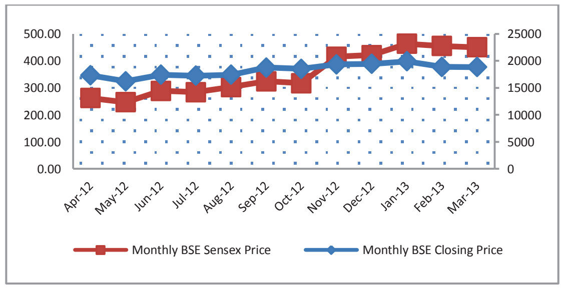
National Securities Depositories Limited	Central Depository Services Limited
4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Telephone: 91-22-24994200, E-mail- info@nsdl.co.in, Website: www.nsdl.co.in	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal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

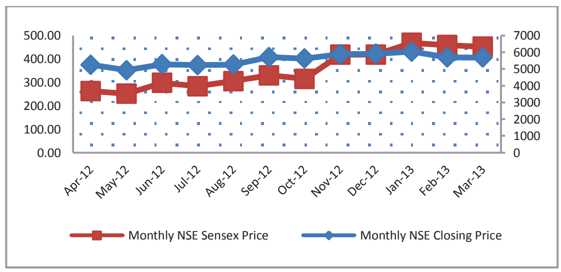
Listed on Stock Exchange(s)

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

Market Price Data: Monthly High & 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:

	BSE (In ₹)		NSE (In ₹)	
Month	High Price	Low Price	High Prices	Low Price
Apr-12	280.00	221.00	275.00	220.00
May-12	275.00	235.00	274.00	235.00
Jun-12	301.00	240.00	285.00	240.00
Jul-12	305.00	273.00	325.00	250.00
Aug-12	314.00	213.00	314.00	211.00
Sep-12	345.00	292.00	358.00	250.00
Oct-12	345.00	301.00	339.00	304.00
Nov-12	439.00	313.00	439.00	309.00
Dec-12	439.00	385.00	439.00	400.00
Jan-13	485.00	416.00	484.00	417.00
Feb-13	490.00	426.00	484.00	401.00
Mar-13	475.00	400.00	466.00	404.00





Distribution of Shareholding of Poly Medicure Limited as on 31st March, 2013

Nominal value of each Share ₹ 10/- each.

No of share holders	% to Total	Shareholding of nominal value of (in ₹)	No of Shares	% to Total
1840	83.45	1 to 5000	1,57,331	1.43
161	7.30	5001 to 10000	1,32,047	1.20
67	3.04	10001 to 20000	1,05,938	0.96
26	1.18	20001 to 30000	63,700	0.58
22	1.00	30001 to 40000	80,122	0.73
11	0.50	40001 to 50000	50,730	0.46
15	0.68	50001 to 100000	1,08,857	0.99
63	2.86	100001 and above	1,03,13,775	93.66
2205	**100.00**	**Total**	**1,10,12,500**	**100.00**

Statement Showing Shareholding Pattern as on 31st March, 2013								
			Table (I)(a)					
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/ Hindu Undivided Family	15	4472176	4472176	40.61	40.61	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	2	862143	862143	7.83	7.83	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	**17**	**5334319**	**5334319**	**48.44**	**48.44**	**0**	**0.00**
2	**Foreign**							
A	Individuals (Non-Residents Individuals/ Foreign Individuals)	2	28400	0	0.26	0.26	0	0.00
B	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
C	Institutions	0	0	0	0.00	0.00	0	0.00
D	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	**2**	**28400**	**0**	0.26	0.26	**0**	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**19**	**5362719**	**5334319**	**48.70**	**48.70**	**0**	**0.00**
(B)	**Public shareholding**							
1	**Institutions**							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	N.A.	N.A.
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	N.A.	N.A.
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	N.A.	N.A.
(d)	Venture Capital Funds	0	0	0	0.00	0.00	N.A.	N.A.
(e)	Insurance Companies	0	0	0	0.00	0.00	N.A.	N.A.
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	N.A.	N.A.
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	N.A.	N.A.
(h)	Any Other (specify)	0	0	0	0.00	0.00	N.A.	N.A.
	Sub-Total (B)(1)	**0**	**0**	**0**	0.00	0.00	N.A.	N.A.
B 2	**Non-institutions**							
(a)	Bodies Corporate	88	3789591	3789591	34.41	34.41	N.A.	N.A.
(b)	Individuals -i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	1972	611434	497565	5.55	5.55	N.A.	N.A.
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	32	1138883	1138883	10.34	10.34	N.A.	N.A.
(c)	Any Other (specify) Non Resident/OCB	71	82762	69162	0.75	0.75	N.A.	N.A.
(c-i)	Clearing Members	23	27111	27111	0.25	0.25	N.A.	N.A.
	Sub-Total (B)(2)	**2186**	**5649781**	**5522312**	51.30	51.30	N.A.	N.A.
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**2186**	**5649781**	**5522312**	51.30	51.30	N.A.	N.A.
	TOTAL (A)+(B)	**2205**	**11012500**	**10856631**	**100.00**	**100.00**		
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**							
1	Promoter and Promoter Group	0	0	0	0	0.00	N.A.	N.A.
2	Public	0	0	0	0	0.00	N.A.	N.A.
	Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	**2205**	**11012500**	**10856631**	**100**	**100.00**	**0**	**0.00**

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(s) Reports with respect to the various law(s) applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

Code for Prevention of Insider Trading Practices

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

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

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

Risk Management Policy

The Company has established a well documented and robust Risk Management framework. Under this framework, risks are identified across all business processes of the Company on continuous basis. These risks are systematically categorized as Strategic Risks, Business Risks or Reporting Risks. The Management looks at all risks associated with the longer terms interests of the Company.

To address these Risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, the Company has set in place various procedure for Risk Management.

CEO / CFO Certification

The CEO and CFO certification of the financial statements for the financial years under review is given at the end of this Report.

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.

Code of Conduct by the CEO

The Company has laid down a Code of Conduct for all Board members and senior management personnel. The Code of Conduct is available on the Company's corporate website.

CEO declaration on code of conduct is appended at the end of this Report.

For and on behalf of the Board of Directors

New Delhi	D.R. Mehta	Himanshu Baid
31st July, 2013	Chairman	Managing Director

CEO and CFO Certification

We, Himanshu Baid, Managing Director and J.K. Oswal, Vice President (Finance) certify that:

a) We have reviewed the Financial Statements and Cash Flow Statements for the year ended on 31st March, 2013 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 statements that might be misleading;

ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2013, are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and we have evaluated the effectiveness of Internal Control systems of the Company pertaining to financial reporting, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) (i) There has not been any significant change in the Internal Control over Financial Reporting during the year under reference;

(ii) There has not been any significant change in the Accounting Policies during the year requiring disclosure in the notes to the Financial Statements; and;

(iii) We are not aware of any instances during the year of significant fraud with involvement therein of management or any employee having significant role in the Company's Internal Control system over Financial Reporting.

New Delhi	Himanshu Baid	J.K. Oswal
31st July, 2013	Managing Director	VP (Finance)

Declaration by Chief Executive Officer on Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March 2013 as adopted by the Board of Directors.

New Delhi — Himanshu Baid
31st July, 2013 — CEO and Managing Director

Certificate on Compliance of Condition of Corporate Governance

To the members of the Poly Medicure Limited
We have examined the Compliance of conditions of Corporate Governance by Poly Medicure Limited ("The Company"), for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd (BSE) & National Stock Exchange of India Limited (NSE).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company to ensure compliance with the conditions of the Corporate Governance. It is neither as audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of the corporate governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

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

For **BK Sethi & Co.**

New Delhi — **B.K. Sethi**
31st July, 2013 — **Proprietor**
FCS-853/CP-913

INDEPENDENT AUDITORS' REPORT

To the Members of **Poly Medicure Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Poly Medicure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Doogar & Associates (Reg. No. 000561N)
Chartered Accountants

M. S. Agarwal
Partner
M. No. 86580

Place of Signature: New Delhi
Date: 13th May 2013

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The company has a regular program of physical verification of its fixed assets. A major portion of the fixed assets has been physically verified by the management during the year pursuant to a program for physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern status of the Company.

ii. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account.

iii. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have neither observed nor have been informed of any continuing failure to correct major weaknesses in internal control system in respect of these areas.

v. a. In our opinion and according to the information and explanations given to us, the contracts or arrangements referred to in Section 301 of the Act that needs to be centered into the register required to be maintained under that Section have been so entered.

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have generally been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.

vi. According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under.

vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii. According to the information and explanations given to us, the cost records have been maintained by the company pursuant to Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained, however, we have not made a detailed examination of such cost records.

ix. a. According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty cess and any other statutory dues applicable to it and there are no undisputed amounts payable in respect of these dues which have remained outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.

b. According to the records of the Company, there are no statutory dues related to provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess outstanding which has not been deposited on account of any dispute.

x. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.

xi. In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not issued any debentures and hence there are no debenture holders in the Company.

xii. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

xvi. In our opinion, and according to the information and explanations given to us, term loans have been applied for the purposes for which they were raised.

xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

xix. The Company has not issued any debentures during the year.

xx. The Company has not raised money by public issue of shares.

xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Doogar & Associates (Reg. No. 000561N)
Chartered Accountants

M. S. Agarwal
Partner
M. No. 86580

Place of Signature: New Delhi
Date: 13th May 2013

Balance Sheet as at 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	As at 31st March 2013		As at 31st March 2012	
EQUITY AND LIABILITIES					
Shareholders' funds					
(a) Share capital	1	**1,101.25**		1,101.25	
(b) Reserves and surplus	2	**10,002.73**	**11,103.98**	8,188.32	9,289.57
Non-current liabilities					
(a) Long-term borrowings	3	**2,416.61**		1,833.24	
(b) Deferred tax liabilities (Net)	4	**628.95**		536.94	
(c) Other Long term liabilities	5	**255.64**		238.02	
(d) Long-term provisions	6	**142.58**	**3,443.78**	126.00	2,734.20
Current liabilities					
(a) Short-term borrowings	7	**1,344.92**		1,585.32	
(b) Trade payables	8	**2,283.89**		1,897.61	
(c) Other current liabilities	9	**2,455.98**		2,026.68	
(d) Short-term provisions	6	**560.45**	**6,645.24**	443.10	5,952.71
TOTAL			**21,193.00**		**17,976.48**
ASSETS					
Non-current assets					
(a) Fixed assets	10				
Tangible assets		**8,658.17**		8,037.86	
Intangible assets		**258.20**		114.60	
Capital work-in-progress		**345.83**		127.10	
Intangible assets under development		**453.74**		393.77	
(b) Non-current investments	11	**691.39**		691.39	
(c) Long-term loans and advances	12	**1,505.25**		840.99	
(d) Other non-current assets	13	**98.53**	**12,011.11**	90.62	10,296.33
Current assets					
(a) Inventories	14	**3,287.22**		2,791.65	
(b) Trade receivables	15	**4,233.00**		3,230.42	
(c) Cash and bank balances	16	**72.79**		52.90	
(d) Short-term loans and advances	12	**989.01**		928.22	
(e) Other current assets	13	**599.87**	**9,181.89**	676.96	7,680.15
TOTAL			**21,193.00**		**17,976.48**

Significant accounting policies
Notes on financial statement 1 to 45

The Notes referred to above forms an integral part of the Balance Sheet
As per our report of even date annexed

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

For and on behalf of the Board of Directors

M. S. Agarwal
Partner
Membership No. 86580

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Place : New Delhi
Date : 13.05.2013

J.K.Oswal
VP (Finance)

Sonia Singh
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
INCOME			
Revenue from operations (Gross)	17	**25,647.01**	21,166.27
Less: Excise Duty		**(423.22)**	(274.41)
Revenue from operations (Net)		**25,223.79**	20,891.86
Other income	18	**36.76**	61.95
Total Revenue (I)		**25,260.55**	**20,953.81**
EXPENDITURE			
Cost of raw materials including packing materials consumed	19	**7932.77**	6,601.47
Purchases of Stock-in-Trade		**501.08**	689.60
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	**(110.54)**	(115.02)
Employee benefits expense	21	**4,023.78**	3,293.56
Research and Development expenses	22	**399.49**	258.35
Other expenses	23	**7,361.95**	5,648.57
Total (II)		**20,108.53**	**16,376.53**
Earnings before Interest, tax, depreciation and amortization (EBITDA) (I) - (II)		**5,152.02**	**4,577.28**
Depreciation and amortization expense	24	**1,182.06**	995.52
Finance cost	25	**589.78**	693.36
Profit before tax (III)		**3,380.18**	**2,888.40**
Tax expense:			
(1) Current tax		**878.11**	742.45
(2) Tax adjustment for earlier years (net)		**10.96**	3.79
(3) Deferred tax		**92.01**	219.99
(4) Minimum Alternative Tax Credit Entitlement for earlier years		**(3.82)**	(3.79)
Total tax expenses (IV)		**977.26**	**962.44**
Profit for the year (III - IV)		**2,402.92**	**1,925.96**
Earnings per equity share (Face value ₹ 10 each)			
Basic		**21.82**	17.49
Diluted		**21.79**	17.46
Significant accounting policies			
Notes on financial statement	1 to 45		

The Notes referred to above forms an integral part of the Statement of Profit and Loss
As per our report of even date annexed

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

M. S. Agarwal
Partner
Membership No. 86580

Place : New Delhi
Date : 13.05.2013

For and on behalf of the Board of Directors

Himanshu Baid Managing Director DIN: 00014008	Rishi Baid Executive Director DIN: 00048585
J.K.Oswal VP (Finance)	Sonia Singh Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

(₹ in lacs)

	Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	3,380.18	2,888.40
	Adjusted for:		
	Depreciation and amortization	1,182.06	995.52
	Interest expense	589.78	693.36
	Interest income	(12.46)	(18.71)
	Dividend on non-trade investments	-	(2.30)
	Loss/(profit) on sale of fixed assets, net	7.01	7.40
	Debts/advances written off	1.35	17.20
	Provision for doubtful debts and advances	-	(2.98)
	Credit balances no longer required, written back	(7.76)	(15.55)
	Provision for Wealth tax	1.69	1.04
	Deferred employee compensation expenses	29.56	-
	Unrealised Foreign Exchange (gain)/loss	(50.81)	(54.95)
	Operating profit before working capital changes	**5,120.60**	**4,508.43**
	Movement in working capital		
	Decrease/ (increase) in sundry debtors	(998.31)	(576.41)
	Decrease/(Increase) in loans and advances	(38.69)	(293.27)
	Decrease/(increase) in inventories	(495.56)	(379.47)
	Increase/ (decrease) in current liabilities and provisions	946.01	593.44
	Cash generated from operations	**4,534.05**	**3,852.72**
	Direct taxes paid (net of refunds)	(700.89)	(576.59)
	Net cash from operating activities	**3,833.16**	**3,276.13**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(3,033.20)	(2,674.26)
	Proceeds from / (Investment in) Fixed Deposits (net)	6.10	(0.40)
	Proceeds from sale of fixed assets	7.70	32.85
	Dividend and Interest income	12.46	21.02
	Net cash used for investing activities	**(3,006.94)**	**(2,620.79)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from term loans (Net of re-payments)	173.53	424.94
	Dividend Paid	(330.38)	(330.38)
	Dividend Tax Paid	(53.60)	(54.87)
	Interest / Finance charges paid	(589.78)	(693.36)
	Net cash from (used for) financing activities	**(800.23)**	**(653.67)**
	Net increase in cash and cash equivalents (A+B+C)	25.99	1.67
	Cash and cash equivalents at the beginning of the year	42.12	40.45
	Cash and cash equivalents at the end of the year	**68.11**	**42.12**

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

This is the cash flow statement referred to in our report of even date.

For **Doogar & Associates (Reg. No. 000561N)**
Chartered Accountants

M. S. Agarwal
Partner
Membership No. 86580

Place : New Delhi
Date : 13.05.2013

For and on behalf of the Board of directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

J.K.Oswal
VP (Finance)

Sonia Singh
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 prescribed in Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the powers conferred under Section 642(1)(a) and the relevant provisions of the Companies Act, 1956.

ii) The Company follows the mercantile system of accounting & recognizes the income & expenditure on accrual basis.

iii) All assets and liabilities have been classified as Current or Non-current as per Company's normal operating cycle and other criteria set out in Revised Schedule VI to Companies Act 1956. Based on the nature of products and time between acquisition of assets/materials for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of one year for the purpose of classification of assets and liabilities as current and non-current.

(B) USE OF ESTIMATES

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

C) FIXED ASSETS

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

D) INVESTMENTS

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

E) DEPRECIATION AND AMORTISATION

i) Depreciation on fixed assets is provided for on the Straight Line method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 except on fixed assets with 100% rate of depreciation which are fully depreciated in the year of addition.

ii) Premium on Leasehold land is amortised over the period of lease.

iii) Intangible assets are amortised on straight line basis over their estimated useful life. In respect of Patents & Trademarks, useful life has been estimated by the Management as 10 years unless otherwise stated in the relevant documents and in case of Specialized Software as 3 years. Depreciation Charge/ Amortisation on impaired assets is provided by adjusting in the future/remaining periods so as to allocate the asset’s revised carrying amount over its remaining useful life.

F) INVENTORIES

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

G) REVENUE RECOGNITION

i) Revenue from sales is recognized on dispatch of goods in accordance with the terms of sale.

ii) Sales and purchases are exclusive of inter-unit transfers.

iii) Export Incentives and benefits are accounted for on accrual basis when virtual certainty and their probable use within reasonable time in the normal course of business, is established.

iv) Revenue from Services is recognized when the related services are performed.

v) Interest is recognized using the time proportion method. Dividend income is recognized when the company’s right to receive dividend is established.

vi) Other items of Income are accounted as and when right to receive arise.

vii) Non compete fees received are apportioned proportionately over the period of such agreement.

H) 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 differences 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.

I) 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.

J) 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.

K) 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 amortized over the vesting period.

L) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of the qualifying assets are capitalized 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.

M) 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.

N) 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.

O) 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.

P) 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 recognized in the Statement of Profit and Loss.

Q) 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 Assets are neither recognised nor disclosed in the financial statements.

R) 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 and tax expense.

S) 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.

Notes on Financial Statement for the year ended 31st March 2013

		As at 31st March, 2013	As at 31st March, 2012
			(₹ in Lacs)
1	**SHARE CAPITAL**		
	Authorised share Capital		
	1,50,00,000 (1,50,00,000) Equity Shares of ₹ 10 each	**1,500.00**	1,500.00
	Issued, subscribed & paid up shares		
	1,10,12,500 (1,10,12,500) Equity Shares of ₹ 10 each fully paid up	**1,101.25**	1,101.25
	Total	**1,101.25**	**1,101.25**

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

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	**1,10,12,500**	**1,101.25**	1,10,12,500	1,101.25
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of year	**1,10,12,500**	**1,101.25**	**1,10,12,500**	**1,101.25**

1.2 Terms/rights attached to Equity Shares

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

During the year ended 31st March, 2013, the Board of directors of the Company recommended Bonus of 1:1 on existing paid up Share capital subject to the necessary approvals. The amount of dividend recognized as distribution to equity share holders if ₹ 2 per share of ₹ 10 on enhanced Equity Share Capital (31st March, 2012 of ₹ 3 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 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M/s Allegeny Finlease private Limited	**15,73,019**	**14.28%**	15,71,686	14.27%
Sh. Rishi Baid	**12,28,256**	**11.15%**	12,28,256	11.15%
M/s BS Trade Invest Private Limited	**11,99,280**	**10.89%**	11,98,080	10.88%
Sh. Himanshu Baid	**10,09,328**	**9.17%**	10,09,328	9.17%
M/s Vision Millenium Exports Pvt. Ltd.	-	-	5,88,131	5.34%

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

1.4 Shares allotted for consideration other than cash

Particulars

Equity Shares :	**No. of Shares**
Aggregate number of Equity Shares allotted as fully paid up Bonus Shares by capitalization of Securities Premium account and General Reserves during a period of five years immediately preceding the Balance Sheet.	55,06,250

2 RESERVES AND SURPLUS

	As at 31st March 2013	As at 31st March 2012
Capital Reserves		
Surplus on re-issue of forfeited shares	**13.19**	13.19
Application money received on Preferential Warrants issued to promoters forfeited	**33.79**	33.79
Securities Premium Account	**6.77**	6.77
Foreign Currency Monetary Translation Account		
Balance at the beginning of the year	**(49.55)**	-
Add: Addition during the year	**(99.13)**	(49.55)
Closing Balance	**(148.68)**	(49.55)
Employee Stock Option Outstanding Account (Net of Option lapsed)	**42.16**	51.51
Less: Deferred Employee Compensation Expenses	**(12.60)**	(51.51)
	29.56	-
General Reserve		
Balance at the beginning of the year	**5,351.38**	4,351.38
Add: Addition during the year	**1,000.00**	1,000.00
Closing Balance	**6,351.38**	5,351.38
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	**2,813.35**	2,271.37
Add: Addition during the year	**2,402.92**	1,925.96
Less: Proposed Dividend	**440.50**	330.38
Less: Tax on Proposed Dividend	**74.86**	53.60
Less: Transferred to General Reserve	**1,000.00**	1,000.00
Closing Balance	**3,700.91**	**2,813.35**
Government Grants (Deferred Income Approach)		
Capital Investment Subsidy		
Balance at the beginning of the year	**19.39**	-
Add: Addition during the year	**-**	22.97
Less: Adjusted against depreciation (Refer Note no. 24)	**(3.58)**	(3.58)
Closing Balance	**15.81**	19.39
Grand Total	**10,002.73**	**8,188.32**

3 LONG TERM BORROWINGS

	Non-current portion As at 31st March 2013	2012	Current maturities As at 31st March 2013	2012
Secured				
(i) Term loans from banks	**2,329.90**	1,672.50	**990.34**	1,041.76
(ii) Others - Vehicle Loan from banks	**57.91**	36.58	**35.60**	23.80
(iii) Deferred payment liabilities	**28.80**	124.16	**86.39**	93.12
Unsecured				
Deferred payment liabilities	-	-	**-**	23.95
Amount disclosed under the head "other current liabilities" (note 9)	-	-	**1,112.33**	1,182.63
Total	**2,416.61**	**1,833.24**	**-**	**-**

3.1 Term loan comprise of the following:

From Bank	2013	2012	2013	2012
Rupee Loan	**833.04**	559.61	**-**	220.00
Foreign Currency Loan	**1,496.86**	1,112.89	**990.34**	821.76

3.2 Terms of repayment:

From Banks

Lending institution	Weighted average Rate of int (P.A.)	Installments	Outstanding as at 31.3.2013	Annual repayment schedule 2013-14	2014-15	2015-16	2016-17 to 2018-19
Rupee Loan Sanctioned amount ₹ 2,500.00 lacs	11.60%	Qtr	833.04	-	200.00	400.00	1900.00
Foreign Currency Loan	5.08%	Qtr	2,487.20	990.34	1085.26	411.60	-
Others - Vehicle Loan	10.12%	Monthly	93.51	35.60	36.30	17.79	3.82
Deferred Payment Liabilities	-	3 in year	115.19	86.39	28.80	-	-

3.3 Details of security:

a Term Loans from State Bank of India are secured by way of first charge over entire fixed assets both present & future including equitable mortgage of factory land & buildings and are further secured by way of extension of charge on entire current assets of the company both present & future and are guaranteed by Managing Director & Executive Director of the company.

b Vehicle Loans are secured by hypothecation/lien of the respective vehicles.

c Deferred payment liabilities relates to capital assets acquired from overseas suppliers under letter of credit.

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 31st March, 2013	As at 31st March, 2012
	Deferred Tax Liabilities:		
(i)	Difference in depreciation between Accounting books and tax Return	**726.87**	620.78
	Total	**726.87**	**620.78**
	Deferred Tax Assets:		
(i)	Provision for retirement benefits	**(52.85)**	(43.57)
(ii)	Provision for Bonus	**(31.56)**	(26.61)
(iii)	Provision for doubtful debts and advances	**(13.51)**	(13.66)
Total		**(97.92)**	**(83.84)**
Net Deferred Tax liability (Assets)		**628.95**	**536.94**

5 OTHER LONG TERM LIABILITIES

	As at 31st March 2013	As at 31st March 2012
Security Deposits from Agents	**186.84**	120.00
Unearned revenue	**68.80**	118.02
	255.64	238.02

6 PROVISIONS

	Long Term As at 31st March 2013	Long Term As at 31st March 2012	Short term As at 31 March 2013	Short term As at 31 March 2012
Provision for employee benefits				
Gratuity	**93.10**	84.86	**9.47**	6.05
Leave Encashment	**49.48**	41.14	**3.45**	2.23
Other provisions				
Provision for Income tax (Net of advances)	**-**	-	**30.48**	49.80
Provision for Wealth tax	**-**	-	**1.69**	1.04
Proposed dividend	**-**	-	**440.50**	330.38
Tax on proposed dividend	**-**	-	**74.86**	53.60
Total	**142.58**	**126.00**	**560.45**	**443.10**

7 SHORT-TERM BORROWINGS

	As at 31st March 2013	As at 31st March 2012
Secured - from banks		
Cash / Export Credit Loan	**1,197.89**	1,538.76
Buyers credit	**147.03**	46.56
Total	**1,344.92**	**1,585.32**

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

8 TRADE PAYABLES

	As at 31st March 2013	As at 31st March 2012
Trade payables (including acceptances)	**2,283.89**	1,897.61

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 31st March 2013	As at 31st March 2012
i	Principal amount remaining unpaid as at end of the year	-	-
ii	Interest due on above	-	-
1	Total of (i) & (ii)	-	-
2	Interest paid on delayed payment of principal, paid along with such interest during the year	-	-
3	Interest due on delayed payment of principal, paid without such interest during the year	-	-
4	Interest accrued but not due, in respect of delayed payments of principal due as at end of the year	-	-
5	Total interest due and payable together with that from prior year(s)	-	-

9 OTHER CURRENT LIABILITIES

	As at 31st March 2013	As at 31st March 2012
Current maturities of long-term borrowings (Refer note no. 3)	**1,112.32**	1,182.63
Interest accrued but not due on borrowings	**2.68**	0.85
Interest accrued and due on borrowings	**19.59**	33.38
Advance from customers	**471.25**	208.93
Unearned revenue	**49.22**	49.22
Unpaid dividends	**6.99**	7.25
Other payables		
Statutory dues	**137.63**	125.36
Employees related liabilities	**430.77**	340.95
Payables for capital goods	**224.20**	51.81
Others	**1.33**	26.30
Total	**2,455.98**	**2,026.68**

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

NOTE No. 10: FIXED ASSETS

(₹ in lacs)

Sr. No.	Particulars	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1st April 2012	Additions	Sales / adjustments	As at 31st March 2013	As at 1st April 2012	For the Year	On Sales / adjst	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
A	**Tangible Assets**										
1	Freehold Land	248.37	-	-	248.37	-	-	-	-	248.37	248.37
2	Leasehold Land	425.17	-	-	425.17	9.08	4.46	-	13.54	411.63	416.09
3	Building	1,986.14	6.04	-	1,992.18	391.08	64.49	-	455.57	1,536.61	1,595.06
4	Plant & Machinery	9,486.45	1,535.99	35.89 *	10,986.55	4,133.85	1,009.27	34.09	5,109.03	5,877.52	5,352.60
5	Furniture & Fixtures	170.73	42.38	0.08 #	213.03	82.74	9.48	0.08	92.14	120.89	87.99
6	Office Equipment	187.18	43.87	0.60 #	230.45	73.42	17.66	0.60	90.48	139.97	113.76
7	Vehicles	314.70	145.13	26.03	433.80	90.74	32.98	13.11	110.61	323.19	223.96
B	**Intangible Assets**										
1	Software	66.26	33.81	-	100.07	52.28	13.81	-	66.09	33.98	13.98
2	Patent & Trade Marks	133.10	157.09	-	290.19	32.48	33.49	-	65.97	224.22	100.62
	Total	**13,018.10**	**1,964.31**	**62.60**	**14,919.81**	**4,865.67**	**1,185.64**	**47.88**	**6,003.43**	**8,916.38**	**8,152.43**
	Previous Year	**10,495.16**	**2,696.96**	**174.02**	**13,018.10**	**4,023.30**	**999.10**	**156.73**	**4,865.67**	**8,152.43**	

Addition during the year includes Fixed Assets for Research and Development

Sr. No.	Particulars	Additions during the year	Depreciation for the year	Net Block As at 31st March 2013
A	**Tangible Assets**			
1	Plant & Machinery	49.30	5.41	64.25
2	Furniture & Fixtures	-	0.13	1.78
3	Office Equipment	1.24	0.27	4.63
B	**Intangible Assets**			
1	Software	-	0.14	0.22
	Total	**50.54**	**5.95**	**70.88**

1. "#" represents assets discarded/written off during the year.
2. "*" includes ₹ 28.55 Lacs (previous year ₹ 105.02 lacs being discarded/written off during the year.

11 NON-CURRENT INVESTMENT

	As at 31st March 2013	As at 31st March 2012
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments - fully paid		
Investment in subsidiaries		
U. S. Safety Syringes Co. LLC, USA USD 3,00,000 (previous year USD 3,00,000) Membership Interest	**130.33**	130.33
Poly Medicure (Liayang) Co. Ltd. China USD 11,00,000 (previous year USD 11,00,000) Membership Interest	**472.39**	472.39
Investment in associates		
27600 (27600) 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 (Aggregate amount of unquoted investment)	**691.39**	**691.39**

12 LOANS AND ADVANCES

	Long Term As at 31st March		Short term As at 31 March	
(Unsecured, considered good unless stated otherwise)	**2013**	2012	**2013**	2012
Capital Advances	**1,462.83**	672.64	-	-
Security Deposits				
Considered good	**40.41**	40.64	**15.77**	27.33
Considered doubtful	**-**	-	**3.41**	2.84
Less: Provision for doubtful deposits	**-**	-	**(3.41)**	(2.84)
Loans and advances to subsidiary companies	**0.85**	117.82	**133.53**	-
Other loans and advances				
Advance for goods /services				
Considered Good	**-**	-	**106.48**	119.95
Considered Doubtful	**-**	-	**0.62**	1.89
Less: Provision for doubtful advances	**-**	-	**(0.62)**	(1.89)
Loans and advance to employees	**1.16**	2.94	**17.52**	17.60
Prepaid Expenses	**-**	-	**49.66**	60.22
Balance with revenue authorities	**-**	-	**485.77**	339.76
Service tax and VAT refundable	**-**	-	**42.80**	36.94
MAT Credit entitlement	**-**	-	**137.48**	326.42
Advance tax/tax deducted at source (net of provision)	**-**	6.95	**-**	-
Total	**1,505.25**	**840.99**	**989.01**	**928.22**

Loans and Advances to subsidiary companies includes:				
Due from Poly Medicure (Laiyang) Co. Ltd., China	**-**	117.02	**133.53**	-
Maximum amount outstanding during the year ₹ 133.53 lacs (Previous year ₹ 117.02 lacs)				
Due from US Safety Syringes Co. LLC, USA	**0.85**	0.80	**-**	-
Maximum amount outstanding during the year ₹ 0.85 lacs (Previous year ₹ 0.80 lacs)				

13 OTHER ASSETS

	Non-current As at 31st March		Current As at 31st March	
	2013	2012	**2013**	2012
Export benefits receivable	**-**	-	**432.80**	545.94
Interest accrued on bank deposits	**2.15**	1.50	**1.53**	0.53
Premium on forward contracts	**-**	-	**145.37**	108.18
Dividend / Governing council share from associates	**-**	-	**10.40**	10.40
Other receivable			**9.77**	11.91
Non-current bank balances (refer note 16)	**96.38**	89.12	**-**	-
Total	**98.53**	**90.62**	**599.87**	**676.96**

Other receivable 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 31st March 2013**	As at 31st March 2012
Raw Materials including packing materials	**2,511.49**	2,146.93
Goods-in transit	**111.97**	62.43
Work-in-progress	**233.39**	238.47
Finished Goods	**315.51**	229.73
Stock-in-trade	**30.36**	21.99
Stores and spares	**84.50**	92.10
Total	**3,287.22**	**2,791.65**

Additional disclosure regarding inventories

Raw Materials including packing materials		
Plastic granules	**523.76**	676.54
PVC Sheet	**122.19**	48.49
SS Tube	**75.88**	34.72
Boxes	**75.35**	88.59
Medical paper	**202.38**	139.93
Other miscellaneous items	**1,511.93**	1,158.66
	2,511.49	**2,146.93**
Work-in-progress		
I V Cannula	**125.20**	113.19
Blood Bag	**35.77**	75.55
Others	**72.42**	49.73
	233.39	**238.47**
Finished Goods		
I V Cannula	**69.59**	74.58
Blood Bag	**64.02**	11.07
Others	**181.90**	144.08
	315.51	**229.73**
Stock in trade		
Others	**30.36**	21.99

15 TRADE RECEIVABLES

	As at 31st March 2013	As at 31st March 2012
Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	**4,144.05**	3,147.19
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**88.95**	83.23
Unsecured, considered doubtful	**35.73**	37.36
Less: Provision for doubtful debts	**35.73**	37.36
Total	**4,233.00**	**3,230.42**

	Outstanding		Maximum balance outstanding during the year ended	
	As at 31st March		As at 31 March	
Trade receivable includes:	**2013**	2012	**2013**	2012
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	**228.27**	135.63	**887.00**	385.87
Due from Ultra For Medical Products (UMIC), being associate company	**320.37**	207.41	**320.37**	285.39

16 CASH AND BANK BALANCES

	Non-current		Current	
	As at 31st March		As at 31st March	
	2013	2012	**2013**	2012
Cash and cash equivalent				
Balances with Banks				
In current and cash credit accounts	**-**	-	**24.16**	20.21
In unpaid dividend accounts	**-**	-	**6.99**	7.25
In deposit accounts, with original maturity of less than 3 months	**-**	-	**5.00**	0.81
Cheques, drafts on hand	**-**	-	**19.00**	1.00
Cash on hand (including foreign currency notes)	**-**	-	**12.96**	12.85
Other Bank balances				
Held as margin money	**75.00**	65.00	**-**	-
Deposits with original maturity for more than 3 months but less than 12 months	**-**	-	**4.68**	10.78
Deposits with original maturity for more than 12 months	**21.38**	24.12	**-**	-
Amount disclosed under the head "other assets" (Refer note 13)	**(96.38)**	(89.12)	**-**	-
Total	**-**	-	**72.79**	**52.90**

17 REVENUE FROM OPERATIONS

	Year ended 31st March, 2013	31st March, 2012
Sale of products		
Manufactured goods	**24,603.98**	19,654.70
Traded Goods	**574.86**	867.46
Other operating revenues		
Export Incentives	**320.12**	433.09
Commission received	**9.95**	15.56
Sale of scrap	**88.88**	146.24
Others	**49.22**	49.22
Less: Excise duty	**(423.22)**	(274.41)
Total	**25,223.79**	**20,891.86**

Additional disclosures in respect of sale of products

	31st March, 2013	31st March, 2012
Finished goods sold		
I V Cannula	**10,863.90**	9,145.35
Blood Bag	**2,205.33**	1,789.95
Others	**11,534.75**	8,719.40
	24,603.98	**19,654.70**
Traded goods sold		
Safety scalp vein set	**94.66**	596.29
Others	**480.20**	271.17
	574.86	**867.46**

18 OTHER INCOME

	Year ended 31st March, 2013	31st March, 2012
Interest Income	**12.46**	18.71
Dividend Income	**-**	2.30
Other non-operating income		
Provisions / Liabilities no longer required written back (net)	**7.76**	18.53
Miscellaneous Income	**16.54**	22.41
Total	**36.76**	**61.95**

19 COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

	Year ended 31st March, 2013	31st March, 2012
Raw Material Consumed		
Inventory at the beginning of the year	**1,762.21**	1,613.46
Add: Purchases during the year	**6,031.90**	5,114.95
Less: Inventory at the end of the year	**1,978.00**	1,762.21
Cost of raw material consumed (A)	**5,816.11**	**4,966.20**
Packing Material Consumed		
Inventory at the beginning of the year	**384.72**	219.21
Add: Purchases during the year	**2,265.43**	1,800.78
Less: Inventory at the end of the year	**533.49**	384.72
Cost of packing material consumed (B)	**2,116.66**	**1,635.27**
Total (A+B)	**7,932.77**	**6,601.47**

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	**3,936.53**	2,389.91
PVC Sheet	**361.88**	338.25
SS Tube	**301.64**	337.78
Other miscellaneous items	**1,216.06**	1,900.26
	5,816.11	**4,966.20**
Packing Material Consumed		
Boxes	**566.61**	436.31
Medical paper	**472.42**	328.93
Others	**1,077.63**	870.03
	2,116.66	**1,635.27**

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

	Year ended		
	31st March 2013	31st March, 2012	**(Increase) / Decrease**
Inventories at the end of year			
Finished Goods and Stock in Trade	**345.87**	251.72	**(94.15)**
Work in progress	**233.39**	238.47	**5.08**
Less: Stock capitalised out of opening stock	-	(21.47)	**(21.47)**
	579.26	**468.72**	**(110.54)**
Inventories at the beginning of year			
Finished Goods and Stock in Trade	**251.72**	192.91	**(58.81)**
Work in progress	**238.47**	182.26	**(56.21)**
	490.19	**375.17**	**(115.02)**

21 EMPLOYEE BENEFITS EXPENSES

	Year ended	
	31st March, 2013	31st March, 2012
Salaries, wages and bonus	**3,637.46**	3,099.22
Gratuity Expenses	**15.27**	14.19
Contributions to Provident Fund and others	**324.16**	146.02
Staff Welfare Expenses	**46.89**	34.13
Total	**4,023.78**	**3,293.56**

22 RESEARCH AND DEVELOPMENT EXPENSES

	Year ended	
	31st March, 2013	31st March, 2012
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	**169.05**	84.61
Employee benefits expenses including gratuity of ₹ 5.98 lacs	**182.50**	139.70
Power and Fuel	**31.75**	22.42
Travelling & Conveyance	**12.04**	9.55
Other Misc expenses (including payment to Auditor ₹ 0.30 lacs)	**4.15**	2.07
Total Revenue Expenses	**399.49**	258.35

Capital Expenditure	**50.04**	29.03
Total amount spent on Research and Development	**450.03**	287.38

23 OTHER EXPENSES

	Year ended 31st March, 2013	Year ended 31st March, 2012
Consumption of stores and spare parts	**334.47**	174.23
Power and Fuel	**970.65**	782.93
Job Work Charges	**2,258.52**	1,609.18
Other Manufacturing Expenses	**39.75**	41.64
Repairs to Building	**16.77**	15.81
Repairs to Machinery	**312.07**	205.61
Repairs to Others	**41.24**	32.95
Excise Duty on closing stock	**2.81**	7.60
Insurance (Net)	**32.96**	30.75
Rent	**19.05**	8.98
Rates, Taxes & Fee	**29.14**	65.85
Wealth tax	**1.69**	1.04
Travelling & Conveyance	**288.76**	242.47
Legal & Professional Fees	**297.48**	292.58
Auditors' Remuneration	**16.18**	9.89
Directors' Sitting Fees	**8.60**	8.00
Donations	**25.95**	32.93
Loss on fixed assets sold/discarded (Net off of gain of ₹ 0.44 lacs, Previous Year ₹ 2.70 Lacs)	**7.01**	7.40
Bank Charges	**122.45**	88.49
Loss on Foreign Exchange Fluctuation (net)	**1,574.16**	967.80
Telephone & Fax Charges	**42.42**	35.67
Printing & Stationary	**23.42**	23.10
Postage & Courier	**23.92**	21.93
Advertisement	**3.07**	1.25
Commission on sales	**264.94**	338.54
Freight & Forwarding (Net)	**280.46**	257.50
Business Promotion	**85.27**	120.71
Exhibition Expenses	**115.49**	106.17
Rebate, Discounts & Claims	**59.87**	41.66
Bad debts written off	**1.35**	17.20
Other Miscellaneous Expenses	**62.03**	58.71
Total	**7,361.95**	**5,648.57**

24 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31st March, 2013	Year ended 31st March, 2012
Depreciation of tangible assets	**1,138.34**	971.31
Amortisation of intangible assets	**47.30**	27.79
Gross Total	**1,185.64**	999.10
Less: Amortisation of Government Grants (refer note no. 2)	**(3.58)**	(3.58)
Net Total	**1,182.06**	**995.52**

25 FINANCE COST

	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest expense	**509.04**	480.57
Other borrowing costs	**7.52**	5.64
Exchange difference to the extent considered as an adjustment to borrowing costs	**73.22**	207.15
Total	**589.78**	**693.36**

26 CONTINGENT LIABILITIES AND COMMITMENTS

a Contingent liabilities not provided for:

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Show Cause notices from excise department	**29.39**	28.52
Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	**9.34**	9.34
Liabilities against legal suits filed	**1.85**	7.21
Income tax matters under appeal	**-**	7.10

b Obligations and commitments outstanding:

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Unexpired letters of credit ₹ 419.15 lacs (Previous year ₹ 381.90 lacs) and Guarantees issued by bankers ₹ 554.56 lacs (Previous year ₹ 184.88 lacs), (Net of margins)	**973.71**	566.78
Bills discounted but not matured	**1,202.96**	1,309.13
Custom duty against import under Advance Licence Scheme	**753.60**	118.51
Custom duty against import under EPCG Scheme	**22.31**	76.82
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	**2,391.76**	729.65

27 Foreign currency forward contracts remaining unadjusted & outstanding

Category	Purpose	Currency / Pair of currency	31st March, 2013 Amount in foreign currency	31st March, 2013 Amount in INR	31st March, 2012 Amount in foreign currency	31st March, 2012 Amount in INR
Sell	Hedging	USD INR	**88.59**	**4,970.00**	102.30	4,982.97
		EURO INR	**8.88**	**643.19**	-	-
Buy	Hedging	JPY INR	**57.51**	**33.80**	70.99	44.37

28 Particulars of unhedged foreign currency exposure

Particulars	Currency	31st March, 2013 Amount in foreign currency	31st March, 2013 Amount in INR	31st March, 2012 Amount in foreign currency	31st March, 2012 Amount in INR
Trade receivable	EURO	-	-	3.99	271.02
Other receivable	USD	**0.24**	**13.06**	0.47	24.01

Import Payable	USD	**3.18**	**172.62**	11.09	564.20
	EURO	**1.06**	**73.55**	1.17	74.14
	JPY	**151.68**	**86.67**	100.01	61.78
Patents	USD	**0.26**	**14.03**	0.55	27.97
	EURO	**0.11**	**7.60**	0.36	24.16
	SGD	**0.03**	**1.32**	0.08	3.22
	GBP	**0.05**	**4.32**	0.03	2.29
	AUD	**0.05**	**2.97**	0.01	0.77
Legal and Professional	USD	**-**	**-**	0.24	12.43
Charges	EURO	**0.79**	**54.89**	0.32	21.96
Commission Payable	USD	**1.29**	**69.88**	1.97	100.03
	EURO	**0.02**	**1.43**	0.02	1.12
Borrowings	USD	**48.53**	**2,634.23**	17.07	868.31
Landings	USD	**2.46**	**133.53**	2.30	117.02

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

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

30 The Company has made investments in 2 subsidiary companies which are of Long Term in nature, As per the latest audited/unaudited financial statements, these subsidiary companies have reported accumulated losses aggregating to ₹ 389.58 lacs (previous year ₹ 323.78 lacs). In the opinion of the management, the investments in these subsidiary companies are of strategic in nature and based on the future projections, the past losses of these subsidiary companies would be recouped. Hence, such diminution in value of investment has been considered as of temporary in nature and, therefore, no provision of such diminution has been made.

31 **Related party disclosures**

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

A **List of related parties and relationships**

a Subsidiaries and Associate

Subsidiaries

1 US Safety Syringes Co. LLC, USA

2 Poly Medicure (Laiyang) Co. Ltd., China

Associate

Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel

1 Mr. Himanshu Baid (Managing Director)

2 Mr. Rishi Baid (Executive Director)

3 Mr. J. K. Baid (Director- relative of Managing Director & Executive Director)

4 Mr. Vishal Baid (President- relative of Managing Director & Executive Director)

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

1 Vitromed Healthcare

2 Jai Polypan Pvt. Ltd.

3 Stilocraft

4 Polycure Martech Ltd.

5 Jaichand Lal Hulasi Devi Baid Charitable Trust

B Transactions with Related Parties

Description	Subsidiaries and Associate		Key Management personnel		Enterprises controlled by key management personnel and their relatives	
	Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year
Sales of Goods	**767.94**	**821.92**			**1,488.70**	**1,059.98**
Ultra for Medical Products	767.94	821.92				
Vitromed Healthcare					1,488.70	1,059.98
Purchases of Goods					**64.03**	**52.24**
Vitromed Healthcare					64.03	52.24
Job work					**2,141.22**	**1,521.54**
Vitromed Health Care					2,141.22	1,521.54
Rent received					**0.24**	**0.24**
Virtomed Healthcare					0.24	0.24
Rent paid					**1.13**	**1.01**
Jai Polypan Pvt. Ltd.					1.13	1.01
Interest on Loan	**8.68**	**9.02**			-	-
Poly Medicure (Laiyang) Co. Ltd., China	8.68	9.02				
Director's Remuneration			**361.27**	**310.25**		
Mr. Himanshu Baid			182.14	155.87		
Mr. Rishi Baid			179.13	154.38		
Salary and perquisites			**25.80**	**21.50**		
Mr. Vishal Baid			25.80	21.50		
Sitting fees paid			**0.80**	**1.00**		
Mr. J. K. Baid			0.80	1.00		
Dividend / Share Governing Council due	**-**	**2.30**				
Ultra for Medical Products	-	2.30				

Description	Subsidiaries and Associate		Key Management personnel		Enterprises controlled by key management personnel and their relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Donation Paid					**1.00**	**0.50**
Jaichand Lal Hulasi Devi Baid Charitable Trust					1.00	0.50
Outstanding balances at the year end						
Advance recoverable	**0.85**	**0.80**				
US Safety Syringes Inc., USA	0.85	0.80				
Loan outstanding	**108.56**	**101.76**				
Poly Medicure (Laiyang) Co. Ltd., China	108.56	101.76				
Dividend / Share Governing Council outstanding	**10.40**	**10.40**				
Ultra for Medical Products	10.40	10.40				
Interest outstanding	**24.97**	**15.26**				
Poly Medicure (Laiyang) Co. Ltd., China	24.97	15.26				
Directors' Remuneration/Salary Payable	**119.68**	**106.19**				
Mr. Himanshu Baid	59.01	52.41				
Mr. Rishi Baid	59.20	52.48				
Mr. Vishal Baid	1.47	1.30				
Debtors	**320.37**	**207.41**			**228.27**	**135.63**
Ultra for Medical Products	320.37	207.41				
Vitromed Healthcare					228.27	135.63

32 <u>Earnings per Share (EPS) of ₹ 10/- each</u>

Particulars	Year ended 31st March, 2013	31st March ,2012
Net Profit after tax available for Equity Shares holders (₹ in lacs)	**2,402.92**	1,925.96
Basic Earning per Shares		
Number of Shares considered as Basic Weighted average Shares outstanding during the year.	**11,012,500**	11,012,500
Basic Earning per Share (In ₹)	**21.82**	17.49
Diluted Earning Per Shares		
Weighted Average no. of Equity Shares outstanding during the year	**11,012,500**	11,012,500
Effect of dilutive issue of Stock Options	**14,741**	16,414
Weighted average no. of Equity Shares outstanding for diluted EPS	**11,027,241**	11,028,914
Diluted Earnings per Share (in ₹)	**21.79**	17.46

33 Payment to Auditors

Particulars	Year ended 31st March, 2013	31st March, 2012
Audit Fee	**7.50**	6.20
Tax audit Fee	**1.00**	0.75
Limited Review of Results	**1.20**	1.05
In other capacity		
(a) For Taxation matters	**4.15**	0.15
(b) For Certification work	**0.88**	0.76
(c) For Other Work	**0.20**	0.00
Reimbursement of expenses	**1.55**	0.98
Total	**16.48**	**9.89**

34 Employee Benefit

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

Particulars	**For the Year ended 31st March, 2013** Gratuity (Unfunded)	Leave encashment / Compensated Absences (Unfunded)	For the Year ended 31st March, 2012 Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)
Obligations at beginning of the year	**90.91**	**43.47**	86.88	39.51
Service Cost - Current	**20.59**	**15.14**	17.83	11.61
Interest Cost	**7.73**	**3.69**	7.38	3.36
Actuarial (gain)/ loss	**(7.07)**	**11.85**	(10.88)	11.73
Benefit Paid	**(9.59)**	**(21.12)**	(10.30)	(22.84)
Obligations at end of the year	**102.57**	**52.93**	90.91	43.37
Liability recognised in the Balance Sheet	**102.57**	**52.93**	90.91	43.37
Expenses recognised in Statement of Profit & Loss	**21.25**	**30.67**	14.34	26.70

b) Movement in liability recognized in the Balance Sheet

Particulars	**Year ended 31st March, 2013** Gratuity (Unfunded)	Leave Encashment/ Compensated absences (Unfunded	Year ended 31st March, 2012 Gratuity (Unfunded)	Leave Encashment/ Compensated absences (Unfunded
Obligation s at the beginning of the year	**90.91**	**43.38**	86.88	39.51
Expenses recognized in the statement of Profit & Loss Account	**21.25**	**30.67**	14.34	26.70
Benefit Paid	**(9.59)**	**(21.12)**	(10.30)	(22.84)
Obligation at the end of the year	**102.57**	**52.93**	90.92	43.37

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

Particulars	Gratuity 2013 (in %)	Leave Encashment 2013 (in %)	Gratuity 2012 (in %)	Leave Encashment 2012 (in %)
Discount Rate	**8.5**	**8.5**	8.5	8.5
Future salary increases	**6**	**6**	6	6

35 In view of option allowed by the Ministry of Corporate Affairs vide its notification dated 29th December 2011 on AS 11, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded have been accumulated in a "Foreign Currency Monetary Items Translation Difference Account" to be amortised over the balance period of such long term assets or liabilities. Pursuant to such adoption, a sum of ₹ 148.68 lacs is remained to be amortised over the balance period of such assets or liabilities (including current year impact amounting to ₹ 99.13 lacs). Had the option not being exercised, the profits of the company would have been lower by ₹ 99.13 lacs.

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

37 **Leases**

Operating leases

i) The Company has taken four premises under cancellable operating lease. These lease agreements are normally renewed on expiry.

ii) Lease rental expenses in respect of operating leases: ₹ 19.05 lacs (previous year ₹ 8.98 lacs)

38 **Particulars in respect of Loans and Advances in the nature of loans as required by the Listing Agreements**

Loans and advance to subsidiary companies:

	Particulars	Balance as at 31st March, 2013	Balance as at 31st March, 2012	Maximum balance outstanding during the year 2012-13	Maximum balance outstanding during the year 2011-12
i	US Safety Syringes Co. LLC, USA	**0.85**	0.80	**0.85**	0.80
ii	Poly Medicure (Laiyang) Co. Ltd., China	**133.53**	117.02	**133.53**	117.02
	Total	**134.38**	**117.82**		

Loans and advance to Poly Medicure (Laiyang) Co. Ltd., China is repayable within three years from the date of advance and is interest bearing.

39 **Employee Stock Option Scheme**

The compensation committee formed by the company in terms of resolution of the Board of Directors, created in accordance with SEBI (Guidelines and any other applicable Rules,) Regulations, a ESOS Scheme called the "Poly Medicure Employee Stock Option Scheme, 2011 (ESOS 2011)". According to the scheme, selected employees shall be entitled for options subject to satisfaction of vesting conditions. The scheme is effective from 8th September 2011. The terms and conditions of the grant are as under:

i Vesting Period

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

ii Exercise period - commences from the date of vesting of the options and expires at the end of three months from the date of such vesting

iii Exercise Price – ₹ 50 which shall be paid on or before the exercise of the option for allotment of shares

The detail of grant under Employee Stock Option Scheme 2011 "ESOS 2011" are as under:

	Particulars	Year ended 31st March, 2013	31st March, 2012
I	Grant Price (in ₹)	**50.00**	50.00
II	Grant date	**09-Sept-2011**	09-Sept-2011
III	Option granted (No. of Equity Shares)	**20,440**	20,440
IV	Option lapsed (No. of Equity Shares)	**3,710**	-
V	Option outstanding (No. of Equity Shares)	**16,730**	20,440
VI	No Option has yet been exercised as the vesting period has not commenced	-	-

40 Value of imports calculated on CIF basis in respect of

	Particulars	Year ended 31st March, 2013	31st March, 2012
I	Raw Materials	**3,914.74**	3,433.59
II	Traded Goods	**432.08**	638.25
III	Stores, Spares & Packing Materials	**553.37**	624.89
IV	Capital Items	**1,212.15**	1,110.44
	Total	**6,112.34**	**5,807.17**

41 Expenditure in foreign currency (on accrual basis)

	Particulars	Year ended 31st March, 2013	31st March, 2012
I	Interest	**169.45**	128.24
II	Traveling Expenses	**27.87**	43.63
III	Legal & Professional Charges	**136.73**	176.27
IV	Commission	**128.29**	152.63
V	Bank Charges	**21.85**	12.27
VI	Exhibition Expenses	**67.14**	79.23
VII	Rates Taxes & Fees	**1.01**	0.59
VIII	Rebate , discount & claims	**0.00**	2.87
	Total	**552.34**	**595.73**

42 Value of imported & indigenous Raw Materials and Stores & Spares and packing Materials consumed and percentage of each of the total consumption

	Particulars	Year ended 31st March, 2013 Value	%	31st March, 2012 Value	%
1	Raw materials				
	Imported	**4,139.51**	**71.17**	3,450.36	69.48
	Indigenous	**1,676.60**	**28.83**	1,515.84	30.52
	Total	**5,816.11**	**100.00**	4,966.20	100.00
2	Stores, Spares & Packing Material				
	Imported	**914.31**	**37.30**	559.39	30.91
	Indigenous	**1,536.81**	**62.70**	1,250.10	69.09
	Total	**2,451.12**	**100.00**	1,809.49	100.00

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

43 Earning in Foreign Exchange (on accrual basis)

	Particulars	Year ended 31st March, 2013	31st March, 2012
I	FOB Value of Exports During the Year	**15,100.51**	11,884.75
II	Others (Freight, Insurance, Commission, Interest, fees etc. recovered)	**352.08**	431.81
III	Dividend / Governing Council share from Associates	**0.00**	2.30
	Total	**15,452.59**	12,318.86

44 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 31st March, 2013	31st March, 2012
I	Number of Non Resident Shareholders	**3**	3
II	Number of Equity Shares held by them	**42,000**	42,000
III	Amount of Dividend paid (Gross) (₹ In lacs)	**1.26**	1.26
IV	Tax Deducted at Sources	**-**	-
V	Year to which dividend relates	**2011-12**	2010-11

45. Previous year figures have been regrouped/rearranged, wherever necessary to confirm current year classification

As per our report of even date annexed

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

M.S. Agarwal
Partner
Membership No.86580

For and on behalf of the Board

Himanshu Baid
Managing Director
DIN:00014008

Rishi Baid
Executive Director
DIN:00048585

J. K. Oswal
VP (Finance)

Sonia Singh
Company Secretary

Place: New Delhi
Date: 13.05.2013

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of Poly Medicure Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We did not audit the Financial Statements of foreign Subsidiaries and Associate whose financial year ends on 31st March, 2013 and 31st December, 2012 respectively and whose financial statements reflect total assets of ₹ 4869.19 lacs as at reporting date, total revenue of ₹ 3499.45 lacs, and net Cash flow amounting to ₹ (109.25) lacs for the year then ended. The financial statements and other financial information of one of subsidiary namely Poly Medicure (Laiyang) Co. Ltd., China and of associate namely Ultra for Medical Devices have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. The financial results of the subsidiary namely U.S.Safety Syringes Co., LLC for the year ended 31.03.2013 are unaudited and have been given effect in the consolidated financial statement as certified by the management and our opinion is based solely on the basis of such certification.

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

Opinion

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

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the consolidated statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For DOOGAR & ASSOCIATES (Reg No.000561N)
Chartered Accountants
M. S. Agarwal
Partner
M. No. 86580

Place of Signature: New Delhi
Date: 13th May 2013

Consolidated Balance Sheet As at 31st March, 2013

(₹ in lacs)

	Particulars	Note No.	As at 31st March 2013		As at 31st March 2012	
I	**EQUITY AND LIABILITIES**					
1	**Shareholders' funds**					
(a)	Share capital	1	**1,101.25**		1,101.25	
(b)	Reserves and surplus	2	**10,144.63**	**11,245.88**	8,248.88	9,350.13
2	**Minority Interest**			**(0.21)**		6.16
3	**Non-current liabilities**					
(a)	Long-term borrowings	3	**2,416.61**		1,833.24	
(b)	Deferred tax liabilities (Net)	4	**628.95**		536.94	
(c)	Other Long term liabilities	5	**255.64**		238.02	
(d)	Long-term provisions	6	**142.58**	**3,443.78**	126.00	2,734.20
4	**Current liabilities**					
(a)	Short-term borrowings	7	**1,344.92**		1,585.32	
(b)	Trade payables	8	**2,343.20**		1,991.25	
(c)	Other current liabilities	9	**2,510.55**		2,064.45	
(d)	Short-term provisions	6	**560.45**	**6,759.12**	443.10	6,084.12
	TOTAL			**21,448.57**		**18,174.61**
II	**ASSETS**					
1	**Non-current assets**					
(a)	Fixed assets	10				
	(i) Tangible assets		**8,924.48**		8,343.25	
	(ii) Intangible assets		**259.74**		140.32	
	(iii) Capital work-in-progress		**345.83**		127.10	
	(iv) Intangible assets under development		**453.74**		393.77	
(b)	Goodwill on consolidation		**-**		30.67	
(c)	Non-current investments	11	**424.08**		239.66	
(d)	Long-term loans and advances	12	**1,504.40**		723.17	
(e)	Other non-current assets	13	**98.53**	**12,010.80**	90.62	10,088.56
2	**Current assets**					
(a)	Inventories	14	**3,536.22**		3,009.89	
(b)	Trade receivables	15	**4,337.77**		3,345.92	
(c)	Cash and bank balances	16	**79.82**		68.17	
(d)	Short-term loans and advances	12	**879.16**		980.95	
(e)	Other current assets	13	**604.80**	**9,437.77**	681.11	8,086.04
	TOTAL			**21,448.57**		**18,174.60**

Significant accounting policies
Notes on Consolidate Financial Statements 1 to 38

The Notes referred form of an integral part of consolidated Balance Sheet

As per our report of even date annexed
For DOOGAR & ASSOCIATES (Reg No.000561N)
Chartered Accountants

For and on behalf of the Board of Directors

M. S. Agarwal Partner Membership No. 86580	Himanshu Baid Managing Director DIN: 00014008	Rishi Baid Executive Director DIN: 00048585
Place : New Delhi Date : 13.05.2013	J. K. Oswal VP (Finance)	Sonia Singh Company Secretary

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March 2013	Year ended 31st March 2012
INCOME			
Revenue from operations (Gross)	17	**26,398.85**	21,978.34
Less: Excise Duty		**(423.46)**	(275.55)
Revenue from operations (Net)		**25,975.39**	21,702.79
Other income	18	**28.08**	52.93
Total Revenue (I)		**26,003.47**	**21,755.72**
EXPENDITURE			
Cost of raw materials including packing materials consumed	19	**8,297.36**	7,068.09
Purchases of Stock-in-Trade		**501.08**	689.60
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	**(131.86)**	(197.98)
Employee benefits expense	21	**4,227.15**	3,438.11
Research and development expenses	22	**399.49**	258.35
Other expenses	23	**7,516.31**	5,755.25
Total (II)		**20,809.53**	**17,011.42**
Earnings before Interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**5,193.94**	4,744.30
Depreciation and amortization expense	24	**1,296.86**	1,174.01
Finance cost	25	**591.99**	686.44
Profit before tax (III)		**3,305.09**	**2,883.85**
Tax expense:			
(1) Current tax		**878.43**	742.70
(2) Tax adjustment for earlier years (net)		**10.96**	3.79
(3) Deferred tax		**92.01**	219.99
(4) Minimum Alternative Tax Credit Entitlement		**(3.82)**	(3.79)
Total tax expenses (IV)		**977.58**	**962.69**
Profit for the year (III - IV)		**2,327.51**	**1,921.16**
Add: Share of profit from associates		**88.67**	19.43
Add: Loss attributable to Minority Interest		**6.79**	6.36
Net profit for the year		**2,422.97**	**1,946.95**
Earnings per equity share(Face value ₹ 10 each)			
Basic		**22.00**	17.68
Diluted		**21.97**	17.65
Significant accounting policies			
Notes on consolidated financial statements	1-38		

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

As per our report of even date annexed
For DOOGAR & ASSOCIATES (Reg No.000561N)
Chartered Accountants

For and on behalf of the Board of Directors

M. S. Agarwal
Partner
Membership No. 86580

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Place : New Delhi
Date : 13.05.2013

J.K.Oswal
VP (Finance)

Sonia Singh
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2013

(₹ in lacs)

	Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	3,305.09	2,883.85
	Adjusted for:		
	Depreciation and amortization	1,296.86	1,174.01
	Interest expense	591.99	686.45
	Interest income	(3.78)	(9.69)
	Dividend on non-trade investments	-	(2.30)
	Loss/(profit) on sale of fixed assets, net	6.70	7.40
	Debts/advances written off	6.26	17.20
	Provision for doubtful debts and advances	-	(2.98)
	Credit balances no longer required, written back	(7.76)	(15.55)
	provision for Wealth tax	1.69	1.04
	Deferred Employee Compensation expenses	29.56	-
	Unrealised foreign exchange (gain) /loss	(50.79)	(54.97)
	Other adjustments including minority	(11.79)	(5.28)
	Operating profit before working capital changes	**5,164.03**	**4,679.18**
	Movement in working capital		
	Decrease/ (increase) in sundry debtors	(987.57)	(640.25)
	Decrease/(Increase) in loans and advances	6.13	(302.85)
	Decrease/(increase) in inventories	(526.33)	(483.27)
	Increase/ (decrease) in current liabilities and provisions	928.47	625.90
	Cash generated from operations	**4,584.73**	**3,878.71**
	Direct taxes paid (net of refunds)	(701.20)	(576.85)
	Net cash from operating activities	**3,883.53**	**3,301.86**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(3083.43)	(2,692.77)
	Proceeds from / (Investment in) Fixed Deposits (net)	6.10	0.40
	Proceeds from sale of fixed assets	10.21	32.85
	Dividend and Interest income	3.78	12.00
	Net cash used for investing activities	**(3,063.34)**	**(2,648.32)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from term loans (Net of Repayment)	173.53	424.94
	Dividend Paid	(330.38)	(330.38)
	Dividend Tax Paid	(53.60)	(54.87)
	Interest / Finance charges paid	(591.99)	(686.45)
	Net cash from (used for) financing activities	**(802.44)**	**(646.76)**
	Net increase in cash and cash equivalents (A+B+C)	17.75	6.78
	Cash and cash equivalents at the beginning of the year	57.39	50.61
	Cash and cash equivalents at the end of the year	**75.14**	**57.39**

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

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 : 13.05.2013

J. K. Oswal
VP (Finance)

Sonia Singh
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 prescribed in Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the powers conferred under section 642(1)(a) and the relevant provisions of the Companies Act, 1956.

ii) The Company follows the mercantile system of accounting & recognizes the income & expenditure on accrual basis.

iii) All assets and liabilities have been classified as Current or Non-current as per Company's normal operating cycle and other criterias set out in Revised Schedule VI to Companies Act 1956. Based on the nature of products and time between acquisition of assets/materials for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of one year for the purpose of classification of assets and liabilities as current and non-current.

b) USE OF ESTIMATES

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

c) PRINCIPLES OF CONSOLIDATION

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

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

i) The Financial Statements of the Company and its Subsidiaries are consolidated on a line–by-line basis by adding together the book values of the like items of assets, liabilities income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses in accordance with Accounting Standard (AS) 21. The items of income and expenses are consolidated only for the period from which the companies became the company's subsidiary.

ii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions or other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. The Financial Statements of the Foreign Subsidiaries are adjusted for the accounting principles and policies followed by the Company.

iii) The difference between the costs to the Company of its investment in Subsidiaries over its proportionate share in the equity of the investee company at the time of acquisition of shares in the Subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment by the management on annual basis.

iv) Companies considered in the consolidated financial statements are:

Name of the Company	Country of incorporate -on	Holding as on March 31, 2013	Financial year ends on
Subsidiary			
U.S.Safety Syringes Co., LLC	USA	75%	31-Mar-13
Poly Medicure (Lai Yang) Company Limited	China	100%	31-Mar-13
Associates			
Ultra For Medical Products Company (Ultra Med)	Egypt	23%	31-Dec-12

The Financial Results of one of te subsidiary mainly US Safety Syringes Co., LLC for the year ended 31st March, 2013 are unaudited and have been given effect in the consolidate financial statement as certified by the management.

d) FIXED ASSETS

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

e) INVESTMENTS

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

f) DEPRECIATION AND AMORTISATION

i) Depreciation on fixed assets is provided for on the Straight Line method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 except on fixed assets with 100% rate of depreciation which are fully depreciated in the year of addition.

ii) Premium on Leasehold land is amortised over the period of lease.

iii) Intangible assets are amortised on straight line basis over their estimated useful life. In respect of Patents & Trademarks, useful life has been estimated by the Management as 10 years unless otherwise stated in the relevant documents and in case of Specialized Software as 3 years. Depreciation Charge/ Amortisation on impaired assets is provided by adjusting in the future/remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

g) INVENTORIES

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

h) REVENUE RECOGNITION

i) Revenue from sales is recognised on despatch of goods in accordance with the terms of sale.

ii) Sales and purchases are exclusive of inter-unit transfers.

iii) Export Incentives and benefits are accounted for on accrual basis when virtual certainty and their probable use within reasonable time in the normal course of business, is established.

iv) Revenue from Services is recognized when the related services are performed.

v) Interest is recognized using the time proportion method. Dividend income is recognized when the company's right to receive dividend is established.

vi) Other items of Income are accounted as and when right to receive arise.

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 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) In respect of forward exchange contracts, the premium or discount arising at the inception of such a Forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences arising on such contracts are recognized in the statement of Profit & Loss of the reporting period in which the exchange rates change.

iv) 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.

v) 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 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 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.

Notes on Consolidated Financial Statement for the year ended 31st March, 2013

(₹ in Lacs)

1 SHARE CAPITAL	As at 31st March 2013	As at 31st March 2012
Authorised share Capital		
1,50,00,000 (1,50,00,000) Equity Shares of ₹ 10 each	**1,500.00**	1,500.00
Issued, subscribed & paid up shares		
1,10,12,500 (1,10,12,500) Equity Shares of ₹ 10 each fully paid up	**1,101.25**	1,101.25
Total	**1,101.25**	**1,101.25**

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

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	**1,10,12,500**	**1,101.25**	1,10,12,500	1,101.25
Add: Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
Outstanding at the end of year	**1,10,12,500**	**1,101.25**	**1,10,12,500**	**1,101.25**

1.2 Terms/rights attached to Equity Shares

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

During the year ended 31st March, 2013, the Board of directors of the Company recommended Bonus 1:1 on existing paid up share capital subject to the necessary approvals. The Amount of dividend recognised as distribution to equity Shareholders is ₹ 2/- per share of ₹ 10/- each on enhanced Equity Share Capital (31st March, 2012 ₹ 3/-)

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 31st March 2013		As at 31st March 2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
M/s Allegeny Finlease private Limited	**15,73,019**	**14.28%**	15,71,686	14.27%
Sh. Rishi Baid	**12,28,256**	**11.15%**	12,28,256	11.15%
M/s BS Trade Invest Private Limited	**11,99,280**	**10.89%**	11,98,080	10.88%
Sh. Himanshu Baid	**10,09,328**	**9.17%**	10,09,328	9.17%
M/s Vision Millenium Exports Pvt. Ltd.	-	-	5,88,131	5.34%

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

1.4 Shares allotted for consideration other than cash

Particulars

Equity Shares :	**No. of Shares**
Aggregate Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account and General Reserve during a period of five years immediately preceding the Balance Sheet.	55,06,250

2 RESERVES AND SURPLUS

	As at 31st March, 2013	As at 31st March, 2012
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	**63.89**	68.90
Securities Premium Account	**6.77**	6.77
Foreign Currency Monetary Translation Account		
Balance at the beginning of the year	**(49.55)**	-
Add: Addition during the year	**(99.13)**	(49.55)
Closing Balance	**(148.68)**	(49.55)
Employee Stock Option Outstanding Account (net of options lapsed)	**42.16**	51.51
Less: Deferred Employee Compensation expenses	**(12.60)**	(51.51)
	29.56	-
General Reserve		
Balance at the beginning of the year	**5,351.38**	4,351.38
Add: Addition during the year	**1,000.00**	1,000.00
Closing Balance	**6,351.38**	**5,351.38**
Foreign currency fluctuation reserve	**173.08**	226.97
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	**2,515.38**	1,952.42
Add: Addition during the year	**2,422.97**	1,946.93
Less: Proposed Dividend	**440.50**	330.38
Less: Tax on Proposed Dividend	**74.86**	53.60
Less: Transferred to General Reserve	**1,000.00**	1,000.00
Closing Balance	**3,422.99**	**2,515.38**
Shares in reserves in associates	**182.85**	62.66

	2013	2012
Government Grants (Deferred Income Approach)		
Capital Investment Subsidy		
Balance at the beginning of the year	**19.39**	-
Add: Addition during the year	**-**	22.97
Less: Adjusted against depreciation (Refer Note no. 24)	**(3.58)**	(3.58)
Closing Balance	**15.81**	19.39
Grand Total	**10,144.63**	**8,248.88**

3 LONG TERM BORROWINGS

	Non-current portion As at 31st March 2013	2012	Current maturities As at 31st March 2013	2012
Secured				
(i) Term loans				
from banks	**2,329.90**	1,672.50	**990.34**	1,041.76
(ii) Others - Vehicle Loan				
from banks	**57.91**	36.58	**35.60**	23.80
(iii) Deferred payment liabilities	**28.80**	124.16	**86.39**	93.12
Unsecured				
Deferred payment liabilities	-	-	-	23.95
Amount disclosed under the head "other current liabilities" (note 9)	-	-	**1,112.33**	1,182.63
Total	**2,416.61**	**1,833.24**	**-**	**-**

3.1 Term loan comprise of the following:

	2013	2012	2013	2012
From Bank				
Rupee Loan	**833.04**	559.61	**-**	220.00
Foreign Currency Loan	**1,496.86**	1,112.89	**990.34**	821.76

3.2 Terms of repayment:

From Banks

Lending institution	Weighted average Rate of interest (P.A.)	Install-ments	Outstand-ing as at 31.3.2013	Annual repayment schedule			
				2013-14	2014-15	2015-16	2016-17 to 2018-19
Rupee Loan Sanctioned amount ₹ 2500.00 lacs	11.60%	Qtr	833.04	-	200.00	400.00	1900.00
Foreign Currency Loan	5.08%	Qtr	2,487.20	990.34	1,085.26	411.60	-
Others - Vehicle Loan	10.12%	Monthly	93.51	35.60	36.30	17.79	3.82
Deferred Payment Liabilities	-	3 in year	115.19	86.39	28.80	-	-

3.3 Details of security:

a Term Loans from State Bank of India are secured by way of first charge over entire fixed assets both present & future including equitable mortgage of factory land & buildings and are further secured by way of extension of charge on entire current assets of the company both present & future and are guaranteed by Managing Director & Executive Director of the company.

b Vehicle Loans are secured by hypothecation/lien of the respective vehicles.

c Deferred payment liabilities relates to capital assets acquired from overseas suppliers under letter of credit.

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 31st March, 2013**	As at 31st March, 2012
Deferred Tax Liabilities:		
(i) Difference in depreciation between Accounting books and tax Return	**726.87**	620.78
Total	**726.87**	**620.78**
Deferred Tax Assets:		
(i) Provision for retirement benefits	**(52.85)**	(43.57)
(ii) Provision for Bonus	**(31.56)**	(26.61)
(iii) Provision for doubtful debts and advances	**(13.51)**	(13.66)
Total	**(97.92)**	**(83.84**
Net Deferred Tax liability (Assets)	**628.95**	**536.94**

5 OTHER LONG TERM LIABILITIES

	As at 31st March, 2013	As at 31st March, 2012
Security Deposits from Agents	**186.84**	120.00
Unearned revenue	**68.80**	118.02
Total	**255.64**	**238.02**

6 PROVISIONS

	Long Term As at 31st March		**Short term As at 31st March**	
	2013	2012	**2013**	2012
Provision for employee benefits				
Gratuity	**93.10**	84.86	**9.47**	6.05
Leave Encashment	**49.48**	41.14	**3.45**	2.23
Other provisions				
Provision for Income tax	**-**	-	**30.48**	49.80
Provision for Wealth tax	**-**	-	**1.69**	1.04
Proposed dividend	**-**	-	**440.50**	330.38
Tax on proposed dividend	**-**	-	**74.86**	53.60
Total	**142.58**	**126.00**	**560.45**	**443.10**

7	SHORT-TERM BORROWINGS	As at 31st March, 2013	As at 31st March, 2012
	Secured - from banks		
	Cash / Export Credit Loan	**1,197.89**	1,538.76
	Buyers credit	**147.03**	46.56
	Total	**1,344.92**	**1,585.32**

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

8	TRADE PAYABLES	As at 31st March, 2013	As at 31st March, 2012
	Trade payables (including acceptances)	**2,343.20**	1,991.25

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 31st March, 2013	As at 31st March, 2012
i	Principal amount remaining unpaid as at end of the year	-	-
ii	Interest due on above	-	-
1	Total of (i) & (ii)	-	-
2	Interest paid on delayed payment of principal, paid along with such interest during the year	-	-
3	Interest due on delayed payment of principal, paid without such interest during the year	-	-
4	Interest accrued but not due, in respect of delayed payments of principal due as at end of the year	-	-
5	Total interest due and payable together with that from prior year(s)	-	-

9	OTHER CURRENT LIABILITIES	As at 31st March, 2013	As at 31st March 2012
	Current maturities of long-term borrowings (Refer note no. 3)	**1,112.32**	1,182.63
	Interest accrued but not due on borrowings	**33.60**	21.71
	Interest accrued and due on borrowings	**19.59**	33.38
	Advance from customers	**471.25**	208.93
	Unearned revenue	**49.22**	49.22
	Unpaid dividends	**6.99**	7.25
	Other payables		
	Statutory dues	**137.63**	125.36
	Employees related liabilities	**448.51**	356.36
	Payables for capital goods	**224.20**	51.81
	Others	**7.24**	27.80
	Total	**2,510.55**	**2,064.45**

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

NOTE No. 10: FIXED ASSETS

(₹ in lacs)

Sr. No.	Particulars	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1st April 2012	Additions	Sales / adjustments	As at 31st March 2013	As at 1st April 2012	For the Year	On Sales / adjusments	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
A	**Tangible Assets**										
1	Freehold Land	248.37	-	-	248.37	-	-	-	-	248.37	248.37
2	Leasehold Land	425.17	-	-	425.17	9.09	4.46	-	13.55	411.62	416.08
3	Building	2,092.54	8.32	-	2,100.86	409.94	70.48	-	480.42	1,620.44	1,682.60
4	Plant & Machinery	9,875.06	1,582.25	35.89 *	11,421.42	4,314.63	1,058.72	34.09	5,366.47	6,054.95	5,560.43
5	Furniture & Fixtures	171.35	42.38	0.08 *	213.65	83.17	9.62	0.08	92.71	120.94	88.18
6	Office Equipment	208.95	45.56	3.51 *	251.00	85.32	22.03	1.32	106.03	144.97	123.63
7	Vehicles	314.70	145.13	26.03	433.80	90.74	32.98	13.11	110.61	323.19	223.96
B	**Intangible Assets**										
1	Software	66.26	33.81	-	100.07	52.28	13.81	-	66.09	33.98	13.98
2	Patent, Trade Marks and Others	329.92	157.09	-	487.01	203.58	57.67	-	261.25	225.76	126.34
	Total	**13,732.32**	**2,014.54**	**65.51**	**15,681.35**	**5,248.75**	**1,269.77**	**48.60**	**6,497.13**	**9,184.22**	**8,483.57**
	Previous Year	**11,190.87**	**2,715.47**	**174.02**	**13,732.32**	**4,227.85**	**1,177.59**	**156.74**	**5,248.75**	**8,483.57**	

Addition during the year includes Fixed Assets for Research and Development

Sr. No.	Particulars	Additions during the year	Depreciation for the year	Net Block As at 31st March 2013
A	**Tangible Assets**			
1	Plant & Machinery	49.30	5.41	64.25
2	Furniture & Fixtures	-	0.13	1.78
3	Office Equipment	1.24	0.27	4.63
B	**Intangible Assets**			
1	Software	-	0.14	0.22
	Total	**50.54**	**5.95**	**70.88**

1. "*" includes ₹ 29.23 Lacs being discarded/written off during the year.

11 NON-CURRENT INVESTMENT

	As at 31st March 2013	As at 31st March 2012
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments - fully paid		
Investment in associates		
27600 (27600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	**424.08**	239.66
Total (Aggregate amount of unquoted investment)	**424.08**	**239.66**

12 LOANS AND ADVANCES

	Long Term As at 31st March		Short term As at 31st March	
(Unsecured, considered good unless stated otherwise)	**2013**	2012	**2013**	2012
Capital Advances	**1,462.83**	672.64	-	-
Security Deposits				
Considered good	**40.41**	40.64	**15.77**	27.33
Considered doubtful	**-**	-	**3.41**	2.84
Less: Provision for doubtful deposits	**-**	-	**(3.41)**	(2.84)
Other loans and advances				
Advance for goods / services				
Considered Good	**-**	-	**123.38**	158.10
Considered Doubtful	**-**	-	**0.62**	1.89
Less: Provision for doubtful advances			**(0.62)**	(1.89)
Loans and advance to employees	**1.16**	2.94	**17.52**	17.60
Prepaid Expenses	**-**	-	**57.46**	67.87
Balance with revenue authorities	**-**	-	**485.77**	339.76
Service tax and VAT refundable	**-**	-	**41.78**	43.87
MAT Credit entitlement	**-**	-	**137.48**	326.42
Advance tax/ tax deducted at source (net of provision)	**-**	6.95	**-**	-
Total	**1,504.40**	**723.17**	**879.16**	**980.95**

13 OTHER ASSETS

	Non-current As at 31st March		Current As at 31st March	
	2013	2012	**2013**	2012
Export benefits receivable	**-**	-	**432.80**	545.94
Interest accrued on bank deposits	**2.15**	1.50	**1.53**	0.53
Premium on forward contracts	**-**	-	**145.37**	108.18
Dividend / Governing council share from associates	**-**	-	**10.40**	10.40
Other receivable	**-**	-	**14.70**	16.06
Non-current bank balances (refer note 16)	**96.38**	89.12	**-**	-
Total	**98.53**	**90.62**	**604.80**	**681.11**

Other receivable 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 31st March 2013	As at 31st March 2012
Raw Materials including packing materials	**2,580.05**	2,203.04
Goods-in transit	**112.55**	63.03
Work-in-progress	**328.36**	282.93
Finished Goods	**398.65**	342.06
Stock-in-trade	**30.36**	21.99
Stores and spares	**86.25**	96.84
Total	**3,536.22**	**3,009.89**

Additional disclosure regarding inventories

Raw Materials including packing materials		
Plastic granules	**523.76**	676.54
PVC Sheet	**122.19**	48.49
SS Tube	**75.88**	34.72
Boxes	**75.35**	88.59
Medical paper	**202.38**	139.93
Other miscellaneous items	**1,580.49**	1,214.77
	2,580.05	**2,203.04**
Work-in-progress		
I V Cannula	**125.20**	113.19
Blood Bag	**35.77**	75.55
Others	**167.39**	94.19
	328.36	**282.93**
Finished Goods		
I V Cannula	**69.59**	74.58
Blood Bag	**64.02**	11.07
Others	**265.04**	256.41
	398.65	**342.06**
Stock in trade		
Others	**30.36**	21.99

15 TRADE RECEIVABLES

	As at 31st March 2013	As at 31st March 2012
Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	**4,248.82**	3,262.69
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**88.95**	83.23
Unsecured, considered doubtful	**35.73**	37.36
Less: Provision for doubtful debts	**(35.73)**	(37.36)
Total	**4,337.77**	**3,345.92**

Trade receivable includes:	Outstanding As at 31st March 2013	2012	Maximum balance As at 31st March 2013	2012
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	**228.27**	135.66	**887.00**	385.87
Due from Ultra For Medical Products (UMIC), being associate company	**320.37**	207.41	**320.37**	285.39

16 CASH AND BANK BALANCES

	Non-current As at 31st March 2013	2012	Current As at 31st March 2013	2012
Cash and cash equivalent				
Balances with Banks				
In current and cash credit accounts		-	**27.94**	24.10
In unpaid dividend accounts		-	**6.99**	7.25
In deposit accounts, with original maturity of less tha months		-	**5.00**	0.81
Cheques, drafts on hand -		-	**19.00**	1.00
Cash on hand (including foreign currency notes)		-	**16.21**	24.23
Other Bank balances				
Held as margin money	**75.00**	65.00	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	**4.68**	10.78
Deposits with original maturity for more than 12 months	**21.38**	24.12	-	-
Amount disclosed under the head “other non-current assets” (Refer note 13)	**(96.38)**	(89.12)	-	-
Total	-	-	**79.82**	**68.17**

17 REVENUE FROM OPERATIONS

	Year ended 31st March, 2013	31st March , 2012
Sale of products		
Manufactured goods	**25,355.82**	20,466.77
Traded Goods	**574.86**	867.46
Other operating revenues		
Export Incentives	**320.12**	433.09
Commission received	**9.95**	15.56
Sale of scrap	**88.88**	146.24
Others	**49.22**	49.22
Less: Excise duty	**(423.46)**	(275.55)
Total	**25,975.39**	**21,702.79**

Additional disclosures in respect of sale of products

Finished goods sold		
I V Cannula	**10,863.90**	9,145.35
Blood Bag	**2,205.33**	1,789.95
Others	**12,286.59**	9,531.47
	25,355.82	**20,466.77**
Traded goods sold		
Safety scalp vein set	**94.66**	596.29
Others	**480.20**	271.17
	574.86	**867.46**

18 OTHER INCOME

	Year ended 31st March, 2013	31st March, 2012
Interest Income	**3.78**	9.69
Dividend Income	**-**	2.30
Other non-operating income	**-**	-
Provisions / Liabilities no longer required written back (net)	**7.76**	18.53
Miscellaneous Income	**16.54**	22.41
Total	**28.08**	**52.93**

19 COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

	Year ended 31st March, 2013	31st March, 2012
Raw Material Consumed		
Inventory at the beginning of the year	**1,818.33**	1,647.45
Add: Purchases during the year	**6,408.93**	5,603.70
Less: Inventory at the end of the year	**2,046.56**	1,818.33
Cost of raw material consumed (A)	**6,180.70**	**5,432.82**
Packing Material Consumed		
Inventory at the beginning of the year	**384.72**	219.21
Add: Purchases during the year	**2,265.43**	1,800.78
Less: Inventory at the end of the year	**533.49**	384.72
Cost of packing material consumed (B)	**2,116.66**	1,635.27
Total (A+B)	**8,297.36**	**7,068.09**

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	**3,936.53**	2,389.91
PVC Sheet	**361.88**	338.25
SS Tube	**301.64**	337.78
Other miscellaneous items	**1,580.65**	2,366.88
	6,180.70	**5,432.82**
Packing Material Consumed		
Boxes	**566.61**	436.31

Medical paper	**472.42**	328.93
Others	**1,077.63**	870.03
	2,116.66	**1,635.27**

20. Changes in inventories of Finished Goods, Work in progress and Stock in trade

	Year ended 31st March, 2013	31st March 2012	(Increase)/ Decrease
Inventories at the end of the year			
Finished Goods and Stock in trade	**429.01**	364.05	**(64.96)**
Work in Progress	**328.36**	282.93	**(45.43)**
Less: Stock capitalized out of opening Stock	**-**	(21.47)	**(21.47)**
	757.37	**625.51**	**(131.86)**
Inventories at the beginning of the year			
Finished goods and Stock in Trade	**364.05**	245.10	**(118.95)**
Work in progress	**282.93**	203.90	**(79.03)**
	646.98	**449.00**	**(197.98)**

21 EMPLOYEE BENEFITS EXPENSES

	Year ended 31st March, 2013	31st March,, 2012
Salaries, wages and bonus	**3,833.99**	3,237.52
Gratuity Expenses	**15.27**	14.19
Contributions to Provident Fund and others	**324.16**	146.02
Staff Welfare Expenses	**53.73**	40.38
Total	**4,227.15**	**3,438.11**

22 RESEARCH AND DEVELOPMENT EXPENSES

	Year ended 31st March, 2013	31st March, 2012
Revenue Expenditure charged to statement of profit and loss		
Cost of Components and Material Consumed (Net)	**169.05**	84.61
Employee benefits expenses including gratuity of ₹ 5.98 Lacs.	**182.50**	139.70
Power and Fuel	**31.75**	22.42
Travelling & Conveyance	**12.04**	9.55
Other Misc. Expenses (Including payment to Auditors ₹ 0.30 lacs)	**4.15**	2.07
Total Revenue Expenses	**399.49**	**258.35**
Capital Expenditure	**50.54**	29.03
Total amount spent on Research and Development	**450.03**	**287.38**

23 OTHER EXPENSES

	Year ended 31st March, 2013	31st March, 2012
Consumption of stores and spare parts	**334.47**	174.23
Power and Fuel	**1,000.79**	807.10
Job Work Charges	**2,258.52**	1609.18
Other Manufacturing Expenses	**42.85**	43.97

Repairs to Building	**17.19**	15.81
Repairs to Machinery	**312.07**	205.61
Repairs to Others	**49.20**	40.15
Excise Duty on closing stock	**2.81**	7.60
Insurance (Net)	**57.98**	40.68
Rent	**45.83**	32.88
Rates, Taxes & Fee	**29.40**	68.16
Wealth tax	**1.69**	1.04
Travelling & Conveyance	**303.25**	245.92
Legal & Professional Fees	**299.16**	292.58
Auditors' Remuneration	**17.01**	10.68
Directors' Sitting Fees	**8.60**	8.00
Donations	**25.95**	32.93
Loss on fixed assets sold/discarded (Net off of gain of ₹ 0.44 lacs , previous year ₹ 2.70 lacs)	**6.70**	7.40
Bank Charges	**122.45**	88.49
Loss on Foreign Exchange Fluctuation (net)	**1574.16**	967.80
Telephone & Fax Charges	**44.95**	37.51
Printing & Stationary	**23.42**	23.10
Postage & Courier	**23.92**	21.93
Advertisement	**3.07**	1.25
Commission on sales	**264.94**	338.54
Freight & Forwarding (Net)	**309.72**	277.89
Business Promotion	**88.55**	123.03
Exhibition Expenses	**115.49**	106.17
Rebate, Discounts & Claims	**59.87**	41.66
Bad debts written off	**6.26**	17.20
Other Miscellaneous Expenses	**66.04**	66.76
Total	**7,516.31**	**5,755.25**

24 DEPRECIATION AND AMORTISATION EXPENSES

	Year ended	
	31st March, 2013	31st March, 2012
Depreciation of tangible assets	**1198.28**	1,049.76
Amortisation of intangible assets	**71.49**	127.83
Impairment of goodwill on consolidation	**30.67**	-
Gross Total	**1,300.44**	1117.59
Less: Amortisation of Government Grants	**(3.58)**	(3.58)
Net Total	**1,296.86**	**1,174.01**

25 FINANCE COST

	Year ended	
	31st March, 2013	31st March, 2012
Interest expense	**511.25**	473.66
Other borrowing costs	**7.52**	5.64
Exchange difference to the extent considered as an adjustment to borrowing costs	**73.22**	207.14
Total	**591.99**	**686.44**

26 CONTINGENT LIABILITIES AND COMMITMENTS

a Contingent liabilities not provided for:

Particulars	Year ended 31st March, 2013	31st March, 2012
Show Cause notices from excise department	**29.39**	28.52
Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	**9.34**	9.34
Liabilities against legal suits filed	**1.85**	7.21
Income tax matters under appeal	**-**	7.10

b Obligations and commitments outstanding:

Particulars	Year ended 31st March, 2013	31st March, 2012
Unexpired letters of credit ₹ 419.15 lacs (Previous year ₹ 381.90 lacs) and Guarantees issued by bankers ₹ 554.56 lacs (Previous year ₹ 184.88 lacs), (Net of margins)	**973.71**	566.78
Bills discounted but not matured	**1,202.96**	1,309.13
Custom duty against import under Advance Licence Scheme	**753.60**	118.51
Custom duty against import under EPCG Scheme	**22.31**	76.82
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	**2,391.76**	729.65

27 Foreign currency forward contracts remaining unadjusted & outstanding

Category	Purpose	Currency / Pair of currency	31st March 2013 Amount in foreign currency	31st March 2013 Amount in INR	31st March 2012 Amount in foreign currency	31st March 2012 Amount in INR
Sell	Hedging	USD INR	**88.59**	**4,970.00**	102.30	4,982.97
		EURO INR	**8.88**	**643.19**	-	-
Buy	Hedging	JPY INR	**57.51**	**33.80**	70.99	44.37

28 Particulars of unhedged foreign currency exposure

Particulars	Currency	31st March, 2013 Amount in foreign currency	31st March, 2013 Amount in INR	31st March, 2012 Amount in foreign currency	31st March, 2012 Amount in INR
Trade receivable	EURO	-	-	3.99	271.02
Other receivable	USD	0.24	13.06	0.47	24.01
Import Payable	USD	3.18	172.62	11.09	564.20
	EURO	1.06	73.55	1.17	74.17
	JPY	151.68	86.67	100.01	61.78
Patents	USD	0.26	14.03	0.55	27.97
	EURO	0.11	7.60	0.36	24.16
	SGD	0.03	1.32	0.08	3.22

	GBP	0.05	4.32	0.03	2.29
	AUD	0.05	2.97	0.01	0.77
Legal and Professional	USD	-	-	0.24	12.43
Charges	EURO	0.79	54.89	0.32	21.96
Commission Payable	USD	1.29	69.88	1.97	100.03
	EURO	0.02	1.43	0.02	1.12
Borrowings	USD	48.53	2,634.23	17.07	868.31
Lendings	USD	2.46	133.53	2.30	117.02

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

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

30 Related party disclosures

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

A List of related parties and relationships

Associate

Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel

1 Mr. Himanshu Baid (Managing Director)

2 Mr. Rishi Baid (Executive Director)

3 Mr. J. K. Baid (Director- relative of Managing Director & Executive Director)

4 Mr. Vishal Baid (President- relative of Managing Director & Executive Director)

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

1 Vitromed Healthcare

2 Jai Polypan Pvt. Ltd.

3 Stilocraft

4 Polycure Martech Ltd.

5 Jaichand Lal Hulasi Devi Baid Charitable Trust

B Transactions with related parties

Description	Associate		Key Management personnel		Enterprises controlled by key management personnel and their relatives	
	Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year
Sales of Goods	**767.94**	**821.92**			**1,488.70**	**1,059.98**
Ultra for Medical Products Egypt	767.94	821.92				
Vitromed Healthcare					1,488.70	1,059.98
Purchases of Goods					**64.03**	**52.24**
Vitromed Healthcare					64.03	52.24
Job work					**2,141.22**	**1,521.54**
Vitromed Health Care					2,141.22	1,521.54
Rent received					**0.24**	**0.24**
Virtomed Healthcare					0.24	0.24
Rent paid					**1.13**	**1.01**
Jai Polypan Pvt. Ltd.					1.13	1.01
Director's Remuneration			**361.27**	**310.25**		
Mr. Himanshu Baid			182.14	155.87		
Mr. Rishi Baid			179.13	154.38		
Salary and perquisites			**25.80**	**21.50**		
Mr. Vishal Baid			25.80	21.50		
Sitting fees paid			**0.80**	**1.00**		
Mr. J. K. Baid			0.80	1.00		
Dividend / Share Governing Council due	**-**	**2.30**				
Ultra for Medical Products	-	2.30				
Donation Paid					**1.00**	**0.50**
Jaichand Lal Hulasi Devi Baid Charitable Trust					1.00	0.50
Outstanding balances at the year end						
Dividend / Share Governing Council outstanding	**10.40**	**10.40**				
Ultra for Medical products	10.40	10.40				
Directors' Remuneration/Salary payable	**119.68**	**106.19**				
Mr. Himanshu Baid	59.01	52.41				
Mr. Rishi Baid	59.20	52.48				
Mr Vishal Baid	1.47	1.30				
Debtors	**320.37**	**207.41**			**228.27**	**135.63**
Ultra for Medical Products	320.37	207.41				
Vitromed Healthcare					228.27	135.63

31 Earnings per Share (EPS) of ₹ 10/- each

Particulars	Year ended 31st March, 2013	31st March, 2012
Net Profit after tax available for Equity Shares holders (₹ in lacs)	**2,422.97**	1,946.93
Basic Earnings per Share		
Number of Shares considered as Basic Weighted Average shares outstanding during the year	**11,012,500**	11,012,500
Basic Earnings per Share (In ₹)	**22.00**	17.68
Diluted Earnings per Share		
Weighted Average no. of Equity Shares outstanding during the year	**11,012,500**	11,012,500
Effect of Dilutive issue of Stock Options	**14,741**	16,414
Weighted average no. of Equity Shares outstanding for diluted EPS	**11,027,241**	11,028,914
Diluted Earnings per Share (in ₹)	**21.97**	17.65

32 Payment to Auditors

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
Audit Fee	**8.33**	6.99
Tax audit Fee	**1.00**	0.75
Limited Review of Results	**1.20**	1.05
In other capacity		
(a) For Taxation matters	**4.15**	0.15
(b) For Certification work	**0.88**	0.76
(c.) For other work	**0.20**	0.00
Reimbursement of expenses	**1.55**	0.98
Total	**17.31**	**10.68**

33 Employee Benefit:

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

Particulars	For the Year ended 31st March, 2013 Gratuity (Unfunded)	For the Year ended 31st March, 2013 Leave encashment / Compensated Absences (Unfunded)	For the Year ended 31st March, 2012 Gratuity (Unfunded)	For the Year ended 31st March, 2012 Leave encashment /Compensated Absences (Unfunded)
Obligations at beginning of the year	**90.91**	**43.37**	86.88	39.51
Service Cost - Current	**20.59**	**15.14**	17.83	11.61
Interest Cost	**7.73**	**3.69**	7.38	3.36
Actuarial (gain) loss	**(7.07)**	**11.85**	(10.88)	11.73
Benefit Paid	**(9.59)**	**(21.12)**	(10.30)	(22.84)
Obligations at end of the year	**102.57**	**52.93**	90.91	43.37
Liability recognised in the Balance Sheet	**102.57**	**52.93**	**90.91**	**43.37**
Expenses recognised in statement of Profit & Loss	**21.25**	**30.67**	**14.34**	**26.70**

(b) Movement in Liability recognised in the Balance Sheet

Particulars	Gratuity (Unfunded)	For the year ended 31st March, 2013 Leave encashment / Compensated Absences (Unfunded)	Gratuity (Unfunded)	For the year ended 31st March, 2012 Leave encashment /Compensated Absences (Unfunded)
Obligations at beginning of the year	**90.91**	**43.38**	**86.88**	**39.51**
Expenses recognised in the statement of Profit & Loss	**21.25**	**30.67**	**14.34**	**26.70**
Benefit Paid	**(9.59)**	**(21.12)**	**(10.30)**	**(22.84)**
Obligations at end of the year	**102.57**	**52.93**	**90.92**	**43.37**

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

Particulars	Gratuity 2013 (in %)	Leave Encashment 2013 (in %)	Gratuity 2012 (in %)	Leave Encashment 2012 (in %)
Discount Rate	8.5	8.5	8.5	8.5
Future salary increases	6	6	6	6

34 In view of option allowed by the Ministry of Corporate Affairs vide its notification dated 29th December 2011 on AS-11, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded have been accumulated in a "Foreign Currency Monetary Items Translation Difference Account" to be amortised over the balance period of such long term assets or liabilities. Pursuant to such adoption, a sum of ₹ 148.68 lacs is remained to be amortised over the balance period of such assets or liabilities (including current year impact amounting to ₹ 99.13 lacs). Had the option not being exercised, the profits of the company would have been lower by ₹ 99.13 lacs.

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

36. Operating leases

i) The Company has taken four premises under cancellable operating lease. These lease agreements are normally renewed on expiry.

ii) Lease rental expenses in respect of operating leases: ₹ 45.83 lacs (previous year ₹ 32.88 lacs)

37 Employee Stock Option Scheme

The compensation committee formed by the company in terms of resolution of the Board of Directors, created in accordance with SEBI (Guidelines and any other applicable Rules,) Regulations, a ESOS Scheme called the "Poly Medicure Employee Stock Option Scheme, 2011 (ESOS 2011)". According to the scheme, selected employees shall be entitled for options subject to satisfaction of vesting conditions. The scheme is effective from 8th September 2011. The terms and conditions of the grant are as under:

i Vesting Period

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

ii Exercise period - commences from the date of vesting of the options and expires at the end of three months from the date of such vesting

iii Exercise Price - ₹ 50 which shall be paid on or before the exercise of the option for allotment of shares.

The detail of grant under Employee Stock Option Scheme 2011 “ESOS 2011” are as under:

	Particulars	Year ended 31st March, 2013	31st March, 2012
(i)	Grant Price (in ₹)	**50.00**	50.00
(ii)	Grant Date	**09th Sept, 2011**	09th Sept, 2011
(iii)	Option granted (No. of Equity Shares)	**20,440**	20,440
(iv)	Option Lapsed (No. of Equity Shares)	**3710**	-
(v)	Option Outstanding (No. of Equity Shares	**16,730**	20,440
(vi)	No option has yet been exercised as the vesting period has not commenced	**-**	-

38. Previous year’s figures have been regrouped/ rearranged, wherever necessary to confirm current year classification.

As per our report of even date annexed

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

M.S. Agarwal
Partner
Membership No.86580

For and on behalf of the Board

Himanshu Baid
Managing Director
DIN:00014008

Rishi Baid
Executive Director
DIN:00048585

J. K. Oswal
VP (Finance)

Sonia Singh
Company Secretary

Place: New Delhi
Date: 13.05.2013

STATEMENT PURSUANT TO EXEMPTION GRANTED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARIES COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in Lac)

Particulars	US Safety Syringes Co. LLC, USA	Poly Medicure (Laiyang) Co. Ltd., China
Paid - up Share Capital	217.12	675.77
Share Premium	-	-
Other Reserves	(217.97)	(235.52)
Total Assets	-	657.27
Total Liabilities	-	657.27
Investments*	-	-
Turnover	-	751.84
Profit before tax	(17.98)	(26.38)
Provision for tax	-	0.32
Profit after tax	(17.98)	(26.70)
Proposed Dividend	-	-

*For details of Investments, refer Note No. 11 of the Consolidated Financial Statements.

For and on behalf of the Board

Himanshu Baid
Managing Director
DIN:00014008

Rishi Baid
Executive Director
DIN:00048585

Place: New Delhi
Date: 31st July 2013

J. K. Oswal
V P (Finance)

Sonia Singh
Company Secretary

Notes

POLY MEDICURE LIMITED
Regd. Off.: First Floor, 12, Sant Nagar, East of Kailash, New Delhi- 110 065.

POLY MEDICURE LIMITED
Regd. Off.: First Floor, 12, Sant Nagar, East of Kailash, New Delhi- 110 065.

ATTENDANCE SLIP
(18th Annual General Meeting - 27th September, 2013)

Regd. Folio No./DP Client ID

Number of Shares held

I, certify that I am member/ Proxy for the member of the Company.

I hereby record my presence at the 18th Annual General Meeting of the Company at Bipin Chandra Pal Memorial Auditorium, A-81, Chittranjan Park, New Delhi- 110019 at 10:00 a.m. on Friday, 27th September, 2013.

Full name of the Member/Proxy ………
(In BLOCK letters) **Signature of Member/Proxy**

Note: The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. Hence persons attending the meeting are requested to bring their copies of the Annual Report with them.

--- *Please tear here* --

POLY MEDICURE LIMITED
Regd. Off.: First Floor, 12, Sant Nagar, East of Kailash, New Delhi- 110 065.

PROXY FORM

Regd. Folio No./DP Client ID

I/We.......................................……………… of...................................... being a member (s) of **Poly Medicure Limited**, hereby appoint……………... of …………………or failing him/her……………………… of ……………. as my/our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held at Bipin Chandra Pal Memorial Auditorium, A-81, Chittranjan Park, New Delhi- 110019 at 10:00 a.m. on Friday, 27th September, 2013 and at any adjournment thereof.

Signed this ……………. day of…………………..2013.

Signature …………………………………………………

Note: Proxy in order to be effective must be lodged with the Company at its registered Office not less than 48 hours before the meeting.

Affix ₹ 1
Revenue Stamp

We Care As We Cure

POLYMED
Medical Devices

Works:

Unit-I: Plot No. 104-105, Sector-59
HSIIDC Industrial Area, Ballabgarh,
Faridabad - 121004 (Haryana) INDIA

Unit-II: Plot No. 115-116, Sector-59,
HSIIDC Industrial Area, Ballabgarh,
Faridabad - 121004 (Haryana) INDIA
Phone : +91-129-3355070, 4287000
Fax : +91-129-2307007, 2309401

Unit-III: Plot No. 17, Sector-3, I.I.E. SIDCUL,
Haridwar, Uttarakhand, INDIA
Phone. : +91-1334-232734

If undelivered, please return to :

Registered Office:

Poly Medicure Limited

First Floor, 12, Sant Nagar, East of Kailash
New Delhi - 110 065. INDIA

Phone : + 91-11-264 818 89 / 93 / 99
Fax : + 91-11-264 818 94 / 39
E-mail : investorcare@polymedicure.com
Web : www.polymedicure.com