POLYMED
MEDICAL DEVICES
We Care As We Cure

2020-21

ANNUAL REPORT

Corporate Information

Board of Directors

Chairman (Independent Director)
Devendra Raj Mehta

Non-Executive Independent Directors
Prakash Chand Surana
Shailendra Raj Mehta
Sandeep Bhargava
Amit Khosla
Sonal Mattoo

Non-Executive Directors
Jugal Kishore Baid
Mukulika Baid
Alessandro Balboni

Managing Director
Himanshu Baid

Joint Managing Director
Rishi Baid

Company Secretary
Avinash Chandra

Chief Financial Officer
Naresh Vijayvergiya

Bankers
State Bank of India
Citibank N.A.
The Hongkong and Shanghai Banking Corp. Ltd.
HDFC Bank Ltd.

Auditors
M/s. M.C. Bhandari & Co.
204, Second Floor, Manisha Building,
75-76, Nehru Place, New Delhi-110019
New Delhi

Internal Auditors
M/s. Oswal Sunil & Company, New Delhi
M/s. Price Water House Coopers Pvt. Ltd., New Delhi

Cost Auditors
M/s. Jai Prakash & Co.
Faridabad

Secretarial Auditors
M/s. P.K. Mishra & Co.
New Delhi

Registrar and Transfer Agents
MAS Services Limited,
T-34, 2nd Floor,
Okhla Industrial Area, Phase-II,
New Delhi-110020
Tel:+ 91(011)-26387281/82
Fax No. 011- 26387384
E-mail: mas_serv@yahoo.com
Website: www.masserve.com

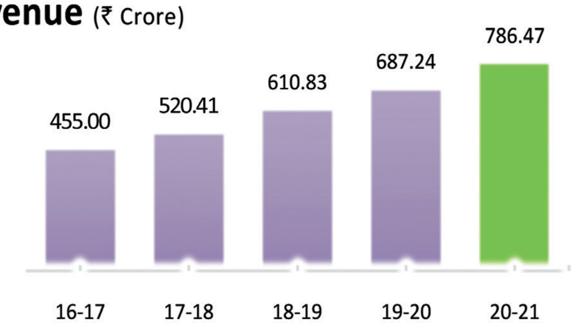
Registered Office
232B, 3rd Floor, Okhla Industrial Estate, Phase III
New Delhi – 110020 (India)
Tel No.: 91 11 - 26321838, 81, 89, 93
Fax No.: 91 11 – 26321839, 94
Email: investorcare@polymedicure.com
Website: www.polymedicure.com
CIN: L40300DL1995PLC066923

AGM Venue
Video Conferencing (VC) or Other Audio Video Means (OAVM)

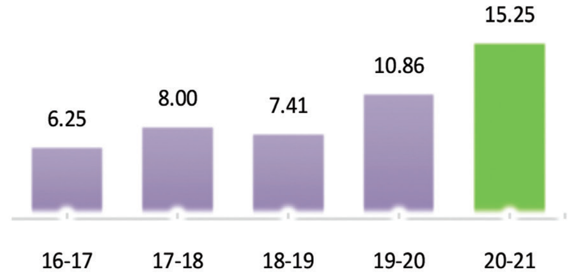
Inside this Report:

Key Performance Indicators (Consolidated):

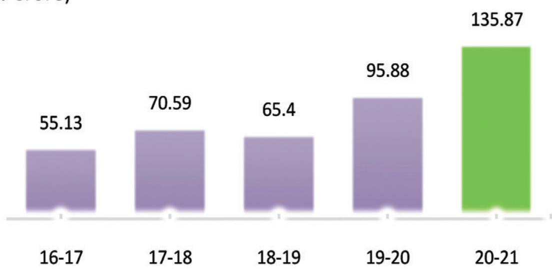
Revenue (₹ Crore)



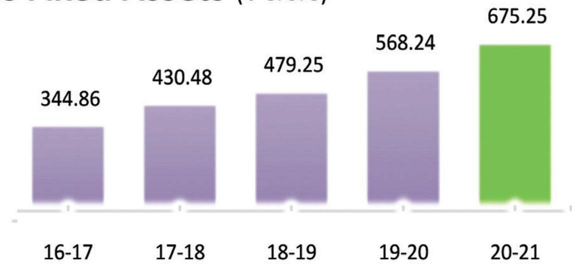
EPS (₹) Adjusted with bonus



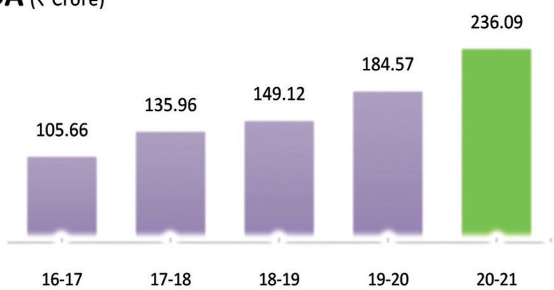
PAT (₹ Crore)



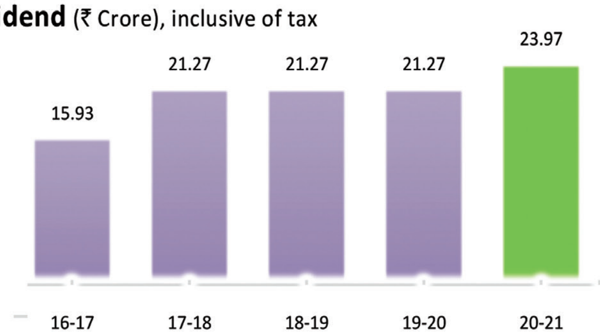
Gross Fixed Assets (₹ Crore)



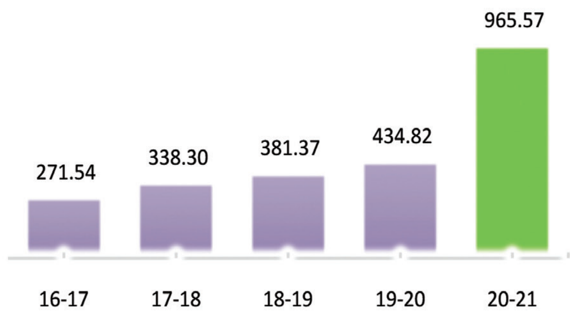
EBITDA (₹ Crore)



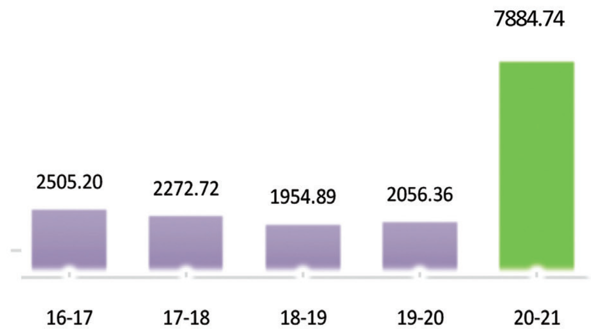
Dividend (₹ Crore), inclusive of tax



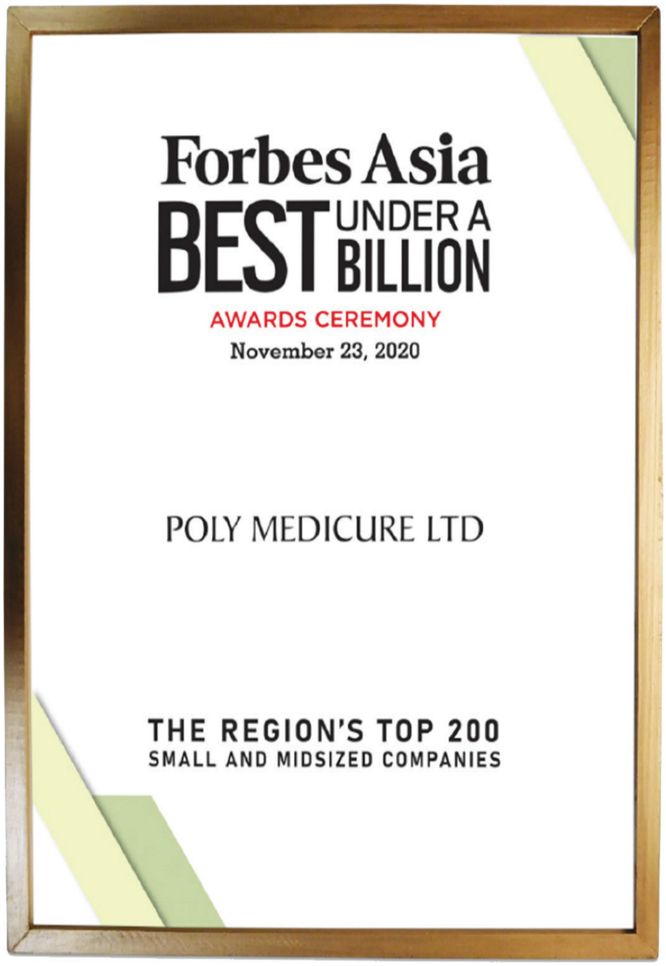
Net Worth (₹ Crore)



Market Capitalisation (₹ Crore)



Awards and Recognitions



"BEST UNDER A BILLION" Award by Forbes Asia

"ATMANIRBHAR MEDTECH CO." Award by Medgate Today

“TOP EXPORTER AWARD FOR 2018-19”
by The Plastic Export Promotion Council

“TOP 50 TORCH BEARER OF HEALTHCARE”
by Medgate Today

“CFO Award 2020” by Financial Express

Clinical Engagement Programme Conducted in Various Hospitals in India

CLABSI prevention and closed system at ASIAN hospital, Faridabad

INS Workshop at sarvodya Hospital, Faridabad

CNE Program At Jupiter Hospital, Thane, Maharashtra

INS Workshop at Fortis, Noida

CNE Program at Fortis Hospital, Kalyan, Maharashtra

Apollo Children Hospital,Chennai

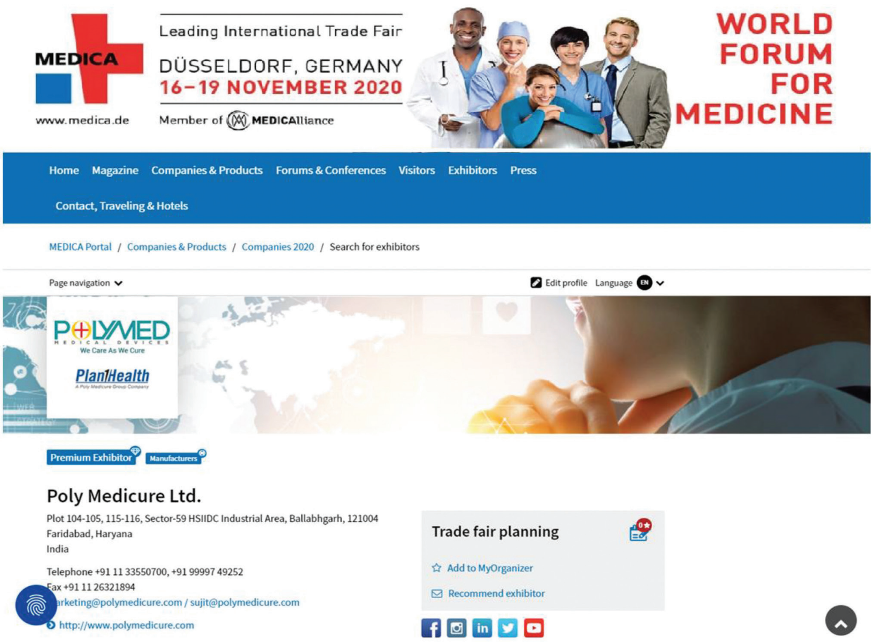
CNE Program at CMRI Hospital, Kolkata

Sarvodaya Hospital, Faridabad

INS Workshop at Medanta, Gurugram

Participation in Virtual Exhibitions outside India

EEPCINDIA ENGINEERING THE FUTURE MEDICAL DEVICES EXPO 2021



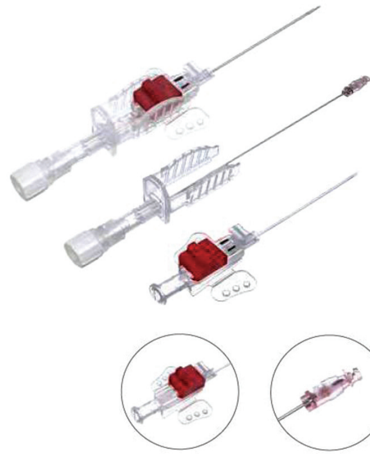
MEDICA VIRTUAL MEDICA 2020

New Product Launches in F.Y. 2020-21


SUCTION CONTROL VALVE


VTM Kit


VLTM Kit


Safety Arterial Cannula


Dialysis Machine


Blood Collection Needle with Flashback


Pre-Filled Syringes

Highlights of CSR Initiatives

Sanitry Pad Cutting Machine Distribution, Jaipur

Sanitry Pad Cutting Machine Distribution, Jaipur

Mask & Sanitizer Distribution in Schools, Ballabgarh, Haryana

Note Books Distributions, Faridabad

Toilet Construction at Govt. School, Faridabad

Mask & Sanitizer Distribution in Schools, Ballabgarh, Haryana

Mask & Sanitizer Distribution in Schools, Ballabgarh, Haryana

Distribution of Printers and Computers to Police Personnel

POLYMED MEDICAL DEVICES
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Financial Highlights (Standalone)

(₹ in lacs)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Revenue from Operations (Net)	74,738.24	64,616.24	58,669.05	50,969.93	44,635.32
Total Revenue	76,667.06	66,474.62	60,253.03	52,406.88	45,970.78
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	22,760.91	17,872.27	14,814.93	13,425.76	10,571.18
Depreciation and Amortisation	4,631.42	3,928.43	3,636.39	2,840.66	2,295.51
Profit For the Year (PAT)	12,951.17	9,238.28	6,628.39	7,019.83	5,619.93
Equity Dividend %*	50%	40%	40%	40%	30%
Dividend (including tax)	2,397.01	2,127.57	2,127.57	2,127.24	1,592.82
Equity Share Capital	4,794.03	4,412.35	4,411.85	4,411,34	4,411.34
Reserves and Surplus	90,606.91	38,516.08	33,566.14	29,039.90	22,506.33
Net Worth	95,400.94	42,928.43	37,977.99	33,451.24	26,917.67
Gross PPE	65,218.47	54,730.78	46,090.17	41,728.70	33,347.17
Net PPE	38,279.93	32,106.80	26,854.00	25,608.79	20,049.12
Total Assets	1,18,741.19	73,995.36	63,315.23	55,463.35	44,886.01
Number of Employees	2,039	2,034	1,952	1,926	1,661

Key Indicators

	2020-21	2019-20	2018-19	2017-18	2016-17
Earnings Per Share - (₹)*	14.54	10.47	7.51	7.96	6.37
Cash from Operations per share (₹)*	12.14	14.38	12.83	8.55	6.24
Book Value Per Share - (₹)*	99.50	48.65	43.04	37.92	30.51
Debt : Equity Ratio	0.13:1	0.44:1	0.40:1	0.38:1	0.36:1
EBDIT/ Net Turnover %	29.69%	26.89%	24.59%	25.62%	23.00%
Net Profit Margin %	16.89%	13.90%	11.00%	13.39%	12.23%
RONW %	13.58%	21.52%	17.45%	20.99%	20.88%

*Adjusted for issue of Bonus Share in 2016-17 in the ratio of 1:1

LETTER FROM THE CHAIRMAN

Dear Shareholders,

The Company was not greatly impacted by local and global lockdowns and continued to manufacture and support customers worldwide during Covid-19 pandemic. Through better planning and efficient raw material management, prior investments in automation and support of strong Research and Development team ensured minimal disruption in manufacturing cycle.

In initial few months the Company had to cope up with acute shortage of manpower but gradually situation improved in following months.

With these endeavors, our company was able to deliver a very strong performance despite the restrictive business conditions. At the consolidated level, your Company has achieved net sales of ₹ 786.47 Crores, EBITDA of ₹ 236.09 Crores and profit after tax of ₹ 135.87 Crores as compared to previous year net sales of ₹ 687.24 Crores, EBITDA of ₹ 184.57 Crores and profit after tax of ₹ 95.88 Crores.

The COVID-19 pandemic has not only presented challenges but also several opportunities for India to grow. India is also a land of opportunities for players in the medical devices industry, with tremendous opportunities for expansion of diagnostic and pathology centres as well as miniaturised diagnostics.

Supply chain disruptions of medical devices and essential medical supplies were prominent in 2020, especially due to travel and trade restrictions all over the globe. Also, to prevent the rapid spread of COVID-19 globally, medical procedures were classified as elective and essential procedures. All elective procedures were cancelled, or healthcare facilities were directed to postpone these procedures. This resulted in a moderate impact on specific segments of the market.

India is among the fast-growing markets for healthcare and medical devices in the Asia-Pacific. With improving medical device regulations, setting up of the National Medical Devices Promotion Council, and the government's focus on manufacturing of medical device, there is huge potential for the Indian medical manufacturing industry.

I am also happy to share with you that your Company received the **"Forbes Asia Best under a Billion"** award in 2020 as the region's top 200 small and midsized companies. Your company continues to prove its mantle in export market and has received the **Top Export Award** for the years 2018-2019 and also for the previous four consecutive years by Plastic Export Promotion Council for Disposables Medical Devices/ surgical items. We have also received **"Atmanirbhar Medtech Company"** by Medgate Today.

Contributing to social development is engraved in our vision. Our social objectives are aimed at improving the quality of life of people. In previous years our focus was more on education, malnutrition, food and sanitation but this year, we have spent a major amount for the cure and prevention of Covid-19 disease. We are focusing on the strategy "prevention is better than cure" to defeat this virus along with the ongoing projects on education, malnutrition, food and sanitation with many NGOs. We also distributed the COVID-19 prevention related products to the healthcare fraternity and also to the public at large.

Also, we are doing our best to reduce our carbon footprints on the planet earth. We are developing the operational excellence with lesser water, energy, fuel consumption.

Also, the company assumes its green initiative to seed more plants to the area adjacent to the production sites. Through its sustainability initiatives the company plans to conserve consumption of papers and plastics in non core activities.

The aspirations of our management team and dedicated employees remain high and we will continue to formulate policies and to translate those aspirations into realities, notwithstanding many challenges posed by the current global economic environment.

To conclude, we have the right product mix at competitive price points; great R&D team which continues to develop cutting-edge products. All these combined together set a great platform for our future growth.

I acknowledge the strong support received from the shareholders, employees, partners, customers and banks during these challenging times and look forward to engaging with them more intensely

With Warm Regards

D. R. Mehta
Chairman

New Delhi
29th July, 2021

LETTER FROM MANAGING DIRECTOR

Dear Valued Shareholders,
2020 was a year like none before. The Covid-19 pandemic has kept a firm grip on the world and deeply affected the lives of many people. Our heartfelt condolences go out to all those who have lost their loved ones during these difficult times.

Amid the profound disruption of 2020, Polymed's fundamental purpose never wavered. We began our 24th year with confidence in our people and business strategy.

Your company adapted quickly to support all its stakeholders during this unprecedented time.

- Working closely with its customers, hospitals and channel partners to ensure smooth supplies of our products across the globe.
- Protecting the safety of its employees.
- Helping the communities, from supporting healthcare systems, to providing humanitarian relief through its CSR program.

The situation further accelerated the philosophy behind our strategies of collaboration, agility, and resilience. Polymed customized its strategy, structure, processes, people, and technology to leverage the opportunities created by the pandemic.

We are proud of what your company has done over the last one year to contribute in the fight against COVID.

Our priority now is to collaborate and work closely with all stakeholders such as the government, private sector as well as the medical research fraternity to develop new products. To make the most of the opportunities, we are focusing on the growth prospects in the fast-growing segments including diagnostics, respiratory care & renal care.

For the current year, we are focusing on a number of key priorities:

Quality: Our top priority remains to manufacture and supply world class quality products.

Safety and Wellbeing: Keeping our people safe following all Covid-19 prevention protocols and vaccinating all employees in time.

Customers: Equally important was our commitment to serve our customers during the lockdowns. We did not have significant factory shutdowns and were able to provide our products to our customers even during the peak of the pandemic. We will continue to support our customers, who tirelessly serve their patients and help build a healthier world.

Culture: Enhancing our efforts to foster a culture of inclusivity, integrity and ownership.

Innovation: Scaling up innovation and research & development of new products to fast track launch of new products.

Financial Performance:
I would like to share with you the financial performance of your Company for the financial year ending March 31, 2021.

Your Company has achieved net sales of ₹ 786.47 Crores as against the net sales of ₹ 687.24 Crores in the previous financial year. EBITDA improved to ₹ 236.09 Crores from ₹ 184.57 Crores in the preceding year which translates into a rise of 27.91%. Profit before Tax is ₹ 180.05 Crores as against ₹ 125.72 Crores representing a growth of 43.22% over the previous year.

Dividend Outlook
The Company continues to focus on shareholder value creation by divesting non-core assets, capturing cost efficiencies and leveraging technology for productivity gains.

In keeping with the Company's tradition of rewarding the Shareholders, your directors are happy to recommend a dividend of ₹ 2.50/- per equity sharefor the Financial Year ended on 31st March 2021, subject to shareholders approval in at the forthcoming Annual General Meeting.

Qualified Institutional Placement ("QIP")

The Company successfully raised ₹ 400 crore through QIP from Investors. This was first capital raise of the Company after the IPO. The proceeds of QIP will be used in funding suitable organic and inorganic growth opportunities, ongoing capital expenditure, other long term and short terms requirements, pre-payment and/or repayment of outstanding borrowings and general corporate purpose.

The Company is also building 2 new facilities one in Faridabad Sector-59 and second one in SEZ Jaipur as part of its expansion plans. We continue to expand our capacity in Renal & Infusion Vascular Access business by adding new products.

Government PLI Scheme

Government has announced Production Linked Incentive (PLI) Scheme to facilitate domestic manufacturing and it has earmarked a Budget of ₹ 3420 Crs. for the scheme in FY 20-21 under which

- Support to be provided to companies registered and manufacturing of target segments in India.
- Scheme exclusive to greenfield projects defined under the guidelines.
- Companies meeting the committed investment & minimum threshold sales will be eligible for the disbursement of investment.
- Incentive of 5% on incremental sales (over Base Year: FY 2019-20) of goods manufactured in India
- Tenure of the scheme is from FY 2022-23 to FY 2027-28

I am pleased to inform that the Company was also awarded the PLI Scheme for expanding its capacity in Renal Care segment on 2nd March, 2021. The Company is already investing to ramp up capacity of products covered under PLI Scheme.

Business Outlook:

Last year was an unpresented year with the emergence spread of COVID-19 globally. Healthcare sector has been at the center of the COVID-19 crisis. The sector was in continuous stress to fight this unknown virus and newer technologies evolved to treat patients.

India being no different also coped with this tough situation. The experiences gained during this period has demonstrated the changes happening across the healthcare and well-being continuum.

The world has also seen the danger of relying on few countries for medical supplies. India has already started promoting itself an alternative low-cost sourcing destination. The Government of India has taken several steps to ensure the growth of a vibrant ecosystem of medical devices manufacturing in India. Medical Devices has been recognized as a sunrise sector. The Indian government's 'Make in India' initiative is encouraging domestic manufacturers of medical devices to increase their capacity which in turn in making products more affordable and accessible. Boosting local manufacturing will help in expanding the domestic production and national self-sufficiency. 'Atmanirbhar' drive will also make India a nerve center of global supply chain.

To address the need of growing healthcare market, Polymed is investing in new technologies and enhancing its R&D capabilities to deliver higher quality Medical Devices.

Acknowledgement

I once again wish to convey my sincere thanks to the dedicated employees of Company. Without their efforts and commitment, the Company could not have performed and sustained during these challenging conditions. I would also like to thank the leadership and management, for their continued strong and unequivocal support. I extend my gratitude to the various Government and Regulatory authorities, Company's valued customers, suppliers, vendors, investors, bankers and shareholders for their consistent and resolute co-operation and trust.

And finally, I take this opportunity to once again thank the Board Members for their continued leadership and unwavering support to the Company and its employees. They are always there for us for invaluable guidance and I truly value their partnership which holds the company to the highest governance and compliance standards.

I wish and pray that this world emerges victorious from the crisis created by the pandemic. I urge each and every one of you to stay safe and take care of your loved ones.

Himanshu Baid Managing Director	New Delhi 29th July 2021

NOTICE

Notice is hereby given that the 26th Annual General Meeting (AGM) of the members of **"Poly Medicure Limited"** will be held on Friday, the 24th September, 2021 at 10:00 a.m. (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt

   - the Audited Standalone Financial Statement for the Financial Year ended 31st March, 2021 together with the reports of the Board of Directors and Auditors thereon; and

   - the Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2021 together with the report of Auditors thereon.

2. To declare dividend on Equity Shares for the financial year 2020-21.

3. To appoint a Director in place of Mr. Alessandro Balboni (DIN:08119143) who retires by rotation and being eligible offers himself for re-appointment.

Special Business

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

   To enter into Job work Contract with M/s. Vitromed Healthcare, Jaipur

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

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

   - Shri Jugal Kishore Baid and Shri Rishi Baid, directors of the Company are also partner in the firm and Shri Vishal Baid, partner of the firm is the relative of directors of the company.

   - Smt. Mukulika Baid and Shri Himanshu Baid, directors of the company are also relatives of the partners of the firm.

   - M/s. Polycure Martech Limited is a partner of the firm in which directors of the Company and their relatives are the members.

   b. **Duration & Particulars of the Contract:** 3 (Three) Years i.e. F.Y. 2021-22 to 2023-24.

   c. **Material Term(s) of the Contract or arrangement(s) including the value:** The Company agrees to outsource the manufacture of some of the Medical Devices and their components to M/s. Vitromed Healthcare (the firm) and the firm agrees to manufacture the same on job work basis. The maximum amount of the contract shall be ₹ 60 crores in FY 2021-22, ₹ 70 crores in FY 2022-2023 and ₹ 80 Crore in FY 2023-2024.

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

   e. **Manner of determining the pricing and other commercial terms both included as part of the Contract:** All proposed transactions would be carried out as part of the business requirements of the company and are to be on arm's length basis. Further the company also subject to transfer pricing norms prevalent in the country.

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

   g. **Any other information:** Nil

5. To appoint Shri Dhruv Baid as Manager, International Business Development and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   RESOLVED THAT in accordance with the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013, and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Dhruv Baid Manager, International Business Development of the Company, for a period of 3 (Three) years with effect from 1st April, 2021 on the following term(s) & condition(s)

Basic Salary: ₹ 46,20,000 p.a. (Rupees Forty Six Lacs Twenty Thousand p.a. only), with annual increment of 10% per annum.

Perquisite and Allowance

House Rent Allowance: 60% of basic salary

The Company's contribution to provident fund, to the extent not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and take all such steps,as may be necessary, proper or expedient to give effect to this resolution.

6. To appoint Shri Aaryaman Baid as Manager, Corporate Strategy and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   RESOLVED THAT in accordance with the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013, and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Aaryaman Baid as Manager, Corporate Strategy of the Company, for a period of 3 (Three) years with effect from 19th July, 2021 on the following term(s) & condition(s)

   Basic Salary: ₹ 46,20,000 p.a. (Rupees Forty Six Lacs Twenty Thousand p.a. only), with annual increment of 10% per annum.

   Perquisite and Allowance

   House Rent Allowance: 60% of basic salary

   The Company's contribution to provident fund, to the extent not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and take all such steps, as may be necessary, proper or expedient to give effect to this resolution.

7. To appoint Shri Arham Baid as Manager, Corporate Strategy and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   RESOLVED THAT in accordance with the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013, and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Arham Baid as Manager, Corporate Strategy of the Company, for a period of 3 (Three) years with effect from 1st July, 2021 on the following term(s) & condition(s)

   Basic Salary: ₹ 46,20,000 p.a. (Rupees Forty Six Lacs Twenty Thousand p.a. only), with annual increment of 10% per annum.

   Perquisite and Allowance

   House Rent Allowance: 60% of basic salary

   The Company's contribution to provident fund, to the extent not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts and take all such steps,as may be necessary, proper or expedient to give effect to this resolution.

8. To consider and if thought fit, to pass with or without any modification(s) the following Resolution as Ordinary Resolution:

   Ratification of Remuneration to M/s. Jai Prakash & Company, Cost Accountants appointed as Cost Auditors of the Company for the Financial Year 2021-22.

RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, payment of Remuneration of ₹ 50,000/- (plus applicable taxes) to M/s. Jai Prakash & Company, Cost Accountants, who were appointed by the Board of Directors in their Meeting held on 29th, July, 2021 for conducting the audit of cost records of the Company for the financial year ending 31st March 2022, be and is hereby approved and ratified;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters, things and take all steps as may be necessary, proper or expedient to give effect to this resolution.

By order of the Board
Avinash Chandra
Company Secretary

Date: 29th July, 2021
Registered Office:
232-B, 3rd Floor, Okhla Industrial Estate, Phase III,
New Delhi -110020.
CIN: L40300DL1995PLC066923

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for thememembers is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act,2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.polymedicure.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www. nseindia.com respectively and the AGM Notice is also

available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

8. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to pkmishra59@yahoo.com with a copy marked to evoting@nsdl.co.in.

9. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed.

10. Additional information, pursuant to Regulation 36 (3), of the Listing Regulations, in respect of directors reappointing at the Annual General Meeting and Explanatory Statement as required under Section 102 of the Companies Act, 2013, is appended hereto and forms part of this Notice.

11. a) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 18th September, 2021 to Friday 24th September, 2021 (both days inclusive).

    b) The remote e-voting period commences on Tuesday, 21st September, 2021 (09:00 a.m.) and ends on Thursday, 23rd September, 2021 (05:00 p.m.). No e-voting shall be allowed beyond the said date and time. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th September, 2021, may cast their vote by remote e-voting.

12. Shareholders of the Company are informed that pursuant to the provisions of the Companies Act and the relevant rules the amount of dividend which remains unpaid/unclaimed for a period of 7 years is transferred to the 'Investor Education & Protection Fund (IEPF)' constituted by the Central Govt. Accordingly the amount of dividend which remained unpaid/unclaimed for a period of 7 years for the year 2012-13 has already been transferred to IEPF. Shareholders who have not encashed their dividend warrant(s), for the years 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 are requested to make claim with the Registrar & Share Transfer Agent of the Company immediately.

13. Members holding shares in physical form are requested to intimate immediately to the Registrar & Share Transfer Agent of the Company, MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 011-26387281/82/83 Fax:- 011-26387384 quoting registered Folio No. (a) details of their bank account/change in bank account, if any, and (b) change in their address, if any, with pin code number.

    In case share are in demat form members are requested to update their bank detail with their depository participant.

    The equity share capital of the company is held by 29,548 shareholders, out of which 29,502 shareholders holding 99.69 % of the capital are in dematerialsed form and the balance 46 shareholders holding 0.31% of the capital are in physical form. The shareholders having shares in physical form are requested to dematerialize the shares at the earliest.

14. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.

15. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to CFO, atleast one week before the meeting.

16. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Share Transfer Agent, in respect of shares held in physical form and the respective Depository Participants, in case of

shares held in electronic form. In all correspondence with the Company/Registrar and Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID for physical or electronic holdings respectively.

17. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.

18. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.

19. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.

20. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2021 including notice of 26th AGM is being sent only through electronic mode to those Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

    In case you have not registered your email id with depository or RTA you may registered your email id in following manner.

Physical Holding	Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depositary Participant (DP) and register your email address as per the process advised by DP.

21. Additional information, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment is annexed to the notice.

22. Voting through electronic means: In compliance with the provisions of Regulation 44 of the Listing Regulations and Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members. Detailed procedure is given in the enclosed letter.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, 21st September, 2021 at 09:00 A.M. and ends on Thursday, 23rd September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 17th September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 17th September, 2021.

How do I vote electronically using NSDL e-Voting system?
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility,** please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click athttps://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digitdemat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest arehttps://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.inor call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6.	**If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:** a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com. b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

	c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc. d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7.	After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8.	Now, you will have to click on "Login" button.
9.	After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pkmishra59@yahoo.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@masserv.com.

2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.infor procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THEEGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/ AGM is same as the instructions mentioned above forremote e-voting.

2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible tovote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/ AGM THROUGHVC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under

Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at (cs@ polymedicure.com). The same will be replied by the company suitably.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:
In conformity with Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying notice and should be taken as forming part of the Notice.

Item No. 4
Approval for Job Work contract with M/s. Vitromed Healthcare, Jaipur, for the period of three years.
In the light of provisions of the Companies Act 2013, the Board of Directors has approved the proposed transactions along with annual limits that the company may enter into with its related party.

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

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

c. Nature of Relationship:

- Shri Jugal Kishore Baid and Shri Rishi Baid, directors of the Company is also partner in the firm and Shri Vishal Baid, partner of the firm is the relative of directors of the company.

- Smt. Mukulika Baid and Shri Himanshu Baid, directors of the Company are also relative of the partners of the firm.

- M/s. Polycure Martech Limited a partner of the firm in which directors of the Company and their relatives are the members.

d. Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement: The Company agrees to outsource the manufacture of some of the Medical Devices and their components to M/s. Vitromed Healthcare (the firm) and the firm agrees to manufacture the same on job work basis. Commencement of the Contract is 1st October, 2021. The maximum amount of the contract shall be ₹ 60 crores in FY 2021-22, ₹ 70 crores in FY 2022-2023 and ₹ 80 Crore in FY 2023-2024.

e. **Manner of determining the pricing and other commercial terms both included as a part of contract and not considered as part of contract:** The Board has considered various factors with respect to remuneration payable and all commercial terms have been considered and included

f. **Whether factors relevant to the contracts have been considered:** Yes

g. Any Other Information: Nil.
Audit Committee and the Board of Directors of your Company has approved this item in their Meeting held on 29th July, 2021 and recommends the Resolution for the approval of members of the Company as Ordinary Resolution.

Item No. 5
Approval for appointment of Shri Dhruv Baid as Manager, International Business Development

a) Name of the Related Party: Shri Dhruv Baid

b) Nature of Transactions: Appointment as

Manager, International Business Development for a term of Three years w.e.f 1st April, 2021

c) Name of the director or Key Managerial Personnel who is related, if any:- Sh. Jugal Kishore Baid, Smt. Mukulika Baid, Sh. Himanshu Baid, Sh. Rishi Baid are related party being directors of the Company.

d) Nature of Relationship: The persons named in (c) above are directors of the Company and they are relatives of Shri Dhruv Baid.

e. **Manner of determining the pricing and other commercial terms both included as a part of contract and not considered as part of contract:** The Board has considered various factors with respect to remuneration payable and all commercial terms have been considered and included

f. **Whether factors relevant to the contracts have been considered:** Yes

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

Item No. 6

Approval for appointment of Shri Aaryaman Baid as Manager, Corporate Strategy

a) Name of the Related Party: Shri Aaryaman Baid

b) Nature of Transactions: Appointment as Manager, Corporate Strategy for a term of Three years w.e.f. 19th July, 2021

c) Name of the director or Key Managerial Personnel who is related, if any:- Sh. Jugal Kishore Baid, Smt. Mukulika Baid, Sh. Himanshu Baid, Sh. Rishi Baid are related party being directors of the Company.

d) Nature of Relationship: The persons named in (c) above are directors of the Company and they are relatives of Shri Aaryaman Baid.

e. **Manner of determining the pricing and other commercial terms both included as a part of contract and not considered as part of contract:** The Board has considered various factors with respect to remuneration payable and all commercial terms have been considered and included

f. **Whether factors relevant to the contracts have been considered:** Yes

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

Item No. 7

Approval for appointment of Shri Arham Baid as Manager, Corporate Strategy

a) Name of the Related Party: Shri Arham Baid

b) Nature of Transactions: Appointment as Manager, Corporate Strategy for a term of Three years w.e.f. 1st July, 2021

c) Name of the director or Key Managerial Personnel who is related, if any:- Sh. Jugal Kishore Baid, Smt. Mukulika Baid, Sh. Himanshu Baid, Sh. Rishi Baid are related party being directors of the Company.

d) Nature of Relationship: The persons named in (c) above are directors of the Company and they are relatives of Shri Arham Baid.

e. **Manner of determining the pricing and other commercial terms both included as a part of contract and not considered as part of contract:** The Board has considered various factors with respect to remuneration payable and all commercial terms have been considered and included

f. **Whether factors relevant to the contracts have been considered:** Yes

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

Item No. 8

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

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Jai Prakash & Company, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022.

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

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice, to ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March 2022.

None of the Directors and Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

By order of the Board
Avinash Chandra
Company Secretary

Date: 29th, July, 2021
Registered Office:
232-B, 3rd Floor, Okhla Industrial Estate, Phase III,
New Delhi -110020.
CIN: L40300DL1995PLC066923
E-mail: investorcare@polymedicure.com

Annexure

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

(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 on General Meeting)

Name of the Director	**Shri Alessandro Balboni (DIN: 08119143)**
Date of Birth and Age	25th October, 1961, 59 years
Date of Appointment	10th May, 2018
Qualifications	BA Engineering Master of Science, degree in Business Administration from University of Bologna
Expertise in Specific functional areas	Around 21 years of experience in leading healthcare Industry and Sales in Europe
No. of Board Meetings attended during the Financial Year 2020-21	6
Remuneration last drawn	Not Applicable
Relationship with any Director(s) and Key Managerial Personnel of the Company	Not related to any other Directors and Key Managerial Personnel of the Company
Directorship of other Companies as on 31st March, 2021	1. Poly Medicure B.V., Netherlands 2. Plan1 Health S.R.L., Italy
Chairmanship(s)/Membership(s) of Committees of other Companies as on 31st March, 2021	None
Number of Shares held in the Company	Nil

DIRECTORS' REPORT

Your Directors take immense pleasure in presenting the 26th Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March, 2021.

Financial Results **(₹ In lacs)**

Parameters	Standalone		Consolidated	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Revenue from Operations (Net)	74,738.24	64,616.24	78,646.96	68,723.90
Add: Other Income	1928.82	1858.38	1841.50	1,846.34
Total Revenue	**76,667.06**	**66,474.62**	**80,488.46**	**70,570.24**
Profit before Interest, Tax, Depreciation and Amortization (EBITDA)	22,760.91	17,872.27	23,608.78	18,456.54
Less: Depreciation & Amortization Expenses.	4631.42	3928.43	4,752.20	4,052.78
Less: Financial Costs	791.17	1765.51	851.18	1,831.43
Profit Before Tax (PBT)	**17,338.32**	**12,178.33**	**17,674.33**	**12,358.26**
Add:Share of Profit from Associates		-	331.07	214.07
Profit Before Tax (afterShare of Profit from Associates)	17,338.32	12,178.33	18,005.40	12,572.33
Less: Tax provision	4,387.15	2,940.05	4,417.96	2,984.54
Profit after Tax	**12,951.17**	**9,238.28**	**13,587.44**	**9,587.79**
Add: Balance brought forward	19,707.24	17,224.42	19,498.98	16,647.90
Profit available for appropriation	**32,658.41**	**26,462.70**	**33,086.42**	**26,235.69**

Briefly, during the year under report, the Company's consolidated total income increased to ₹ 80,488.46 lacs from ₹ 70,570.24 lacs in the previous year, registering a growth of 14.05%. EBIDTA improved to ₹ 23,608.78 lacs as from ₹ 18,456.54 lacs in the previous year which translates into a rise of 27.91%. Profit before Tax (PBT) is ₹ 18,005.40 lacs as against ₹ 12,572.33 lacs in previous year which translates into a rise of 43.22%.

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

Global Pandemic – COVID-19

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In an attempt to contain the spread and impact of COVID-19, authorities throughout the world and in India have implemented measures such as travel bans and restrictions, quarantines, stay-at-home and shelter-in place orders, promotion of social distancing, and limitations on business activity. This pandemic has resulted in a significant economic downturn in India and globally.

The Government of India initially announced a 21-day lockdown on March 24, 2020, which, was subject to successive extensions. While the lockdown has been relaxed, several precautionary measures and restrictions (such as on large social gatherings) are still in place. In particular, our exports were affected owing to temporary restrictions imposed on export of certain items and our supply chain was disrupted. Productivity at our manufacturing facilities was also affected owing to limited availability of manpower and social distancing norms prescribed during the lockdown imposed. In addition, domestic demand was impacted as it led to postponement of non-critical surgical procedures. We are also required to spend additional amounts to ensure compliance with procedures mandated by central and state governments.

The future impact of the COVID19 pandemic on our business will depend on a range of factors, which we are not able to accurately predict, including the duration and scope of the pandemic, the geographies impacted, and the nature and severity of measures adopted by central and state governments. We have incurred, and may continue to incur, certain increased expenses arising from the COVID-19 pandemic, including additional labour, supply chain, capital and other expenditures.

The extent to which the COVID-19 pandemic impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the duration and severity of the pandemic, the nature and scope of government actions to contain the pandemic or address its impact, and how quickly and to what extent normal economic and operating conditions can resume, other geographies affected and the impact of the pandemic on economic activity in India and globally. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers and/or suppliers, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Adverse consequences of, and conditions resulting from, the COVID-19 pandemic may remain prevalent for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID-19 outbreak has subsided.

Share Capital

During the year under report the Company has issued 76,33,587 Equity shares of ₹ 5/- each at a premium of ₹ 519/- per share on QIP basis on 19.02.2021 in compliance with provisions of ICDRA, 2018.

Qualified Institutional Placement ("QIP")

During the Financial Year 2020-2021, the company has raised an amount of Rupees 400 Crore by way of allotment of 7,633,587 equity shares on 19th February, 2021, to some qualified institutional investors ("QIBs") through QIP Placement in compliance applicable provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended. The said issue was authorized by shareholders of the company through postal ballot on 14th January, 2021.

Details of Utilization of issue proceeds are as under:

In terms of Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the details of utilization of issue proceeds through QIP Placement are as under:

Amount Raised through QIP Placement	:	₹ 400.00 Crore
Amount Utilized towards objects as stated in offer document	:	₹ 96.95 Crore
Balance Amount Unutilized till date	:	₹ 303.05 Crore

Dividend

In keeping with the Company's tradition of rewarding the Shareholders, your directors are happy to recommend a dividend of ₹ 2.50/- per equity share of the face value of ₹ 5/- each for the financial year ended on 31st March, 2021. The proposal is subject to the approval of the shareholders at the forthcoming Annual General Meeting. The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 2,397.01 lacs. The dividend would be payable to all Shareholders whose names appear in the Register of Members and in respect of shares held in dematerialized form, to the members whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited on book closure date.

The aforesaid dividend paid for year under review is in accordance with the Company's policy on Dividend Distribution which is linked to long term growth objectives of your Company to be met by internal cash accruals. The Dividend Distribution Policy of the Company can be viewed on the Company's website at https://www.polymedicure.com/wp-content/uploads/2020/09/Dividend-Distribution-Policy.pdf

Transfer to Reserves

The Board of Directors has proposed to transfer ₹ 2,500.00 lacs to General Reserves out of the profit available for appropriation.

Subsidiaries and Associate

The subsidiary companies performed as follows:

- **Poly Medicure (Laiyang) Co. Ltd, China -** The wholly owned subsidiary Company has achieved a turnover of ₹ 1,512.60 lacs for the year ending 31st March, 2021 against ₹ 1,381.66 lacs in the previous year.
- **Poly Medicure B.V., Amsterdam, Netherlands -** During the year under review the Company has not done any business operations.
- **Plan1 Health s.r.l., Italy, a step-down Subsidiary–** The wholly owned subsidiary Company has achieved a turnover of ₹ 2,812 lacs for the year ending 31st December, 2020 against ₹ 2,845.79 lacs in the previous year. The Performance during the year was impacted

due to CoVID-19 pandemic in Italy and other European Countries.

- Plan1 Health India Pvt. Ltd., India – During the year under review the Company has not done any business operations.

The Company has one Associate in Egypt, viz.
Ultra for Medical Products Company (ULTRA MED), Egypt– The Associate has achieved sales of ₹ 11,166.02 lacs during the year ending 31st December 2020, ₹ 8,816.79 lacs against in the previous year.

Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education and Protection Fund
During the Year under review, the Company has transferred ₹ 1,13,830 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 financial year 2012-13 which remained unclaimed by the shareholders of the Company for a period of seven years from due date of payment.

Directors and Key Managerial Personnel
In view of the provisions of the Companies Act, 2013, Mr. Alessandro Balboni is liable to retire by rotation at the ensuing Annual General Meeting, and he offers himself for re-appointment. The information as required to be disclosed under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in case of re-appointment of directors is provided in the Notice of the ensuing Annual General Meeting of the Company.

Pursuant to Section 149(4) of the Companies Act, 2013, every Listed Company is required to appoint one third of its Directors as Independent Directors. The Board has six Independent Directors in terms of the provisions of Regulation 17(b) of the SEBI (LODR) Regulations, 2015. Necessary details in respect of the directors are given in the Corporate Governance Report.

The Independent Directors have submitted their respective declarations of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of Independence specified in the Act and the Rules made thereunder as also under Regulation 25 of the SEBI (LODR) Regulations, 2015.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the key managerial personnel of the Company are Shri Himanshu Baid, Managing Director, Shri Rishi Baid, Joint Managing Director, Shri Naresh Vijayvergiya, Chief Financial Officer (appointed w.e.f. 1st July, 2021) and Shri Avinash Chandra, Company Secretary. Also during the year under report Shri J. K. Oswal, ceased to be the C.F.O. of the Company w.e.f. close of business hours on 30th June, 2021.

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

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

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

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

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

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

Secretarial Standards

The Company has complied with the provisions of Secretarial Standards on Meetings of the Board ofDirectors (SS-1) and on General Meetings (SS-2).

Directors' Responsibility Statement

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

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

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

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

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

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

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

CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS

As required under the regulation 34 (2)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a cash flow statement is part of the Annual Report 2020 - 2021. Further, the Consolidated Financial Statements of the Company for the financial year 2020 - 2021 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Financial Statements have been prepared on the basis of the audited financial statements of the Company, its subsidiaries and joint venture companies as approved by their respective Boards of Directors.

Policy on Directors' Appointment and Remuneration

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Companies Act, 2013, adopted by the Board are covered in Corporate Governance Report as **Annexure – 1,** which forms part of this Report.

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

Annual Return

In terms of Section 93(3) of the Companies Act, 2013, as amended the Annual Return of the Company is placed on the website of the Company www.polymedicure.com on the following link: https://www.polymedicure.com/wp-content/uploads/2021/08/Annual-Return-MGT-9.pdf

Auditors and Auditors' Report

Statutory Auditors

At the 24th Annual General Meeting held on September 23, 2019 M/s. M. C. Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2024.

Your Company has received a certificate from M/s. M. C. Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E) confirming their eligibility to continue as the Auditors of the Company in terms of the provisions of the Act and the Rules framed thereunder and also a copy of the certificate issued by the Peer Review Board (ICAI) as required under Regulation 33 of the Listing Regulations.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

Further, during the year, in the course of the performance of their duties as auditor, no frauds were reported by them.

Cost Auditor

The Board had appointed M/s. Jai Prakash & Co., Cost Accountants as Cost Auditor for the financial year 2020-21. M/s. Jai Prakash & Co., Cost Accountants have been re-appointed as Cost Auditor for conducting the audit of cost records of the Company for the financial year 2021-22 and approval of the members is being sought for ratification of their remuneration.

Secretarial Auditor

The Board of Directors have appointed M/s. P.K. Mishra & Associates (Certificate of Practice No.-16222), Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended 31st March, 2021 is annexed to this Report as **Annexure – 2.**

The Board of Director has appointed M/s. P.K. Mishra & Associates, Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2021-22.

Business Responsibility Report

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

Particulars of Loans, Guarantees or Investments under Section 186

The Particulars of Loans, Investments and guarantees made/ given by the Company, under Section 186 of the Companies Act, 2013, are furnished in **Annexure - 3** and forms part of the Report.

Particulars of Contracts or Arrangements with Related Parties

The particulars of every contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC - 2 in **Annexure - 4** and form part of this Report.

Fixed Deposits

Your Company has not accepted/or invited any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and Section 73 or 76 of the Companies Act, 2013.

Corporate Social Responsibility

As per the Companies Act, 2013, all companies having a net worth of ₹ 500 Crore or more, or a turnover of ₹ 1,000 Crore or more or a net profit of ₹ 5 Crore or more during any financial year are required to constitute a CSR Committee of the Board of Directors comprising three or more directors, at least one of whom should be an independent director. All such Companies are required to spend at least 2% of the average net profits of their immediately preceding three financial years on CSR related activities. Accordingly, the Company was required to spend ₹ 211.78 lacs towards CSR activities. The Company overall spends ₹ 247.72 lacs for activities specified in schedule VII of the Companies Act, 2013. Details of CSR policy and the initiatives adopted by the Company on CSR during the year are available on the website of the Company at http://www.polymedicure.com/wp-content/uploads/2015/03/CSR_Policy_2015.pdf. The Annual Report on CSR as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure – 5** to this Report in the prescribed format.

Vigil Mechanism/ Whistle Blower Policy:

The Company has a "Policy on Whistle Blower and Vigil Mechanism" to deal with instance of fraud and mismanagement, if any. In staying true to our values of Strength, Performance and Passion, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility

Prevention of Sexual Harassment at Workplace

The Company is committed to provide a protective environment at workplace for all its women employees. The Company has in place the "Policy on Prevention of Sexual Harassment at the Workplace" in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has constituted Internal Complaints Committee (ICC) to redress the complaints received regarding sexual harassment. During the year under review, no complaints were received by the Committee for Redressal.

Details in respect of Adequacy of Internal Financial Controls with reference to the financial statements

The Company has an internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively. The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Audit

Committee of the Board reviews reports submitted by the independent internal auditors and monitors follow-up and corrective actions.

Particulars of Employees pursuant to Section 197(12)

Details pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed herewith as **Annexure-6.**

Quality and Certification

We believe that quality control is critical to our brand and continued growth. We have separate quality control procedures for raw materials being used in the manufacturing process and for finished goods. Our products pass through stringent quality tests, and our quality assurance team monitors at various stages of the manufacturing process and performs finished product inspections to ensure the quality of our products.

All products are manufactured in accordance with current Good Manufacturing Practices (GMP). We are also subject to routine internal and external quality audits for GMP compliance that assure our quality systems are consistent with current international standards. Our various manufacturing facilities are also periodically certified by independent and reputed external agencies. These certifications include quality management system ISO 9001: 2015 by DNV GL Business Assurance, EN ISO 13485:2016 and CE Certification by TUV SUD Product Service GmbH, Germany.

We believe that quality control is critical to our brand and continued growth. We have separate quality control procedures for raw materials being used in the manufacturing process and for finished goods. Our products pass through stringent quality tests, and our quality assurance team monitors various stages of the manufacturing process and performs finished product inspections to ensure the quality of our products.

Human Resources

We place significant emphasis on the recruitment and retention of our personnel and provide continuous training for employees to achieve high quality skills and improve productivity. Trainings are provided to enhance technical and behavioral skills. During the COVID-19 pandemic, to further strengthen our employee relationships, we recognized employee performances by way of incentives, and periodically facilitated meetings between our employees and senior management. Other employee engagement programs include publication of our quarterly magazine "Seekh", highlighting development and training activities, and sponsoring fitness initiatives.

Our operations have not been interrupted by any work stoppage, strike, demonstration or other labour or industrial disturbance. We have not experienced any industrial disputes.

Credit Rating

CRISIL continue to accord the Company, the ratings on the bank facilities of the Company as under:

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

Global Economic Volatility Risk

We procure our raw materials from both domestic and international suppliers based on purchase orders and without any long-term contracts. Commodity prices are influenced by, among other factors, changes in global economic conditions, industry cycles, demand-supply dynamics, attempts by particular producers to capture market share and speculation in the market.

The changes in raw material costs are generally passed through to our customers. Nonetheless, because such price adjustments based on cost changes only occur at periodic intervals, there is generally a time lag between changes in our raw material costs and any adjustments to our prices which, if such raw material costs increase significantly during this period, can have a negative impact on our profitability.

Regulatory Risk

Our operations are subject to established and developing legal and regulatory requirements for medical devices in each country in which our products are marketed and sold. Most foreign countries have medical device regulations. Further, most countries require product approvals to be renewed or recertified on a regular basis in order for the products to continue to be marketed and sold there. In addition, several countries that previously did not have regulatory requirements for medical devices have established such requirements in recent years and other countries have expanded, or plan to expand, existing regulations. These factors have caused or may cause us to experience more uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, which could affect our ability to obtain approvals for our products in those jurisdictions and adversely impact our sales, market share and operating profits from our international operations.

In addition, our international operations are subject to other established and developing legal and regulatory requirements, including with respect to foreign import and export controls and licensing requirements, trade protection and embargo measures and customs laws. Global businesses, including those in the medical device industry, are facing increasing scrutiny of, and heightened enforcement efforts with respect to, their international operations. Any alleged or actual failure to comply with legal and regulatory requirements may subject us to government scrutiny, civil and/or criminal proceedings, sanctions and other liabilities, which may have a material adverse effect on our international operations, financial condition, and results of operations and/or liquidity.

Foreign Exchange Risk

Our financial statements are presented in Indian Rupees. However, our revenues, expenditure and finance charges are influenced by the currencies of those countries where we sell our products (for example, in Europe, south-east Asia, the Middle East and Africa) and to a limited extent by currencies of countries from where we procure our raw material (for example the United States, Germany, China, Japan, Korea and Taiwan) and the country where our Subsidiary is located.

The exchange rate between the Indian Rupee and these currencies, primarily the U.S. Dollar and the Euro, have fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. While our exposure to fluctuations in foreign currency is hedged to the extent our revenues are denominated in foreign currencies, there can be no assurance that such revenues will be able to fully offset the impact of foreign currency fluctuations on the expenses we incur towards our raw material costs.

Moreover, as a majority of our long term borrowings are U.S. Dollar denominated, we expect that our cost of borrowing as well as our cost of raw materials incurred by us and our Subsidiary may rise during a sustained depreciation of the Indian Rupee against the U.S. Dollar, the Euro or the Chinese Yuan. The exchange rate between the Indian Rupee and these currencies, primarily the U.S. dollar, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period.

Corporate Governance

Your Company always strives to ensure that best Corporate Governance practices are identified, adopted and consistently followed. Your Company believes that Good Corporate Governance is the basis of sustainable growth of the business and for enhancement of Stakeholders' value. The Corporate Governance Report forms an integral Part of this Report and is set out separately in this Annual Report.

All Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct as applicable to them for the year ending on 31st March, 2021 as per Regulation 26(3) of SEBI (LODR) Regulations, 2015. A declaration to this effect as signed by the Managing Director is annexed with this Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report on the operations of the Company, as required under the provision of Regulation 34 of the Listing Regulation is provided in **"Annexure-7"** forming part of Directors' Report.

Listing

The Shares of your Company are listed on the BSE Limited (BSE), Mumbai and National Stock Exchange of India Limited, (NSE), Mumbai. The Listing fees to the Stock Exchanges for the year 2021-22 have been paid.

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

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

Green Initiatives

As part of the Green Initiative, we propose to send documents such as Notices of General Meeting(s), Annual Reports and other shareholders communications for the year ended 31st March 2021 in electronic form, to the email addresses provided by you and/or made available to the Company by the Depositories. The copy of annual report shall be available on the website of the Company and for inspection at the registered office of the Company, during office hours. In case any member wishes to get Annual Report and other communication in physical form, he may write to the company and the same will be provided free of cost.

Electronic copies of the Annual Report 2020-21 and Notice of the 26th Annual General Meeting would be sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the same would be sent in the permitted mode.

Significant and material orders passed by the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company's operations in future.

Acknowledgements & Appreciation

Your Board of Directors would like to place on record their sincere appreciation for the support and contributions made by all the Employees, Customers, Suppliers, Bankers, Investors, Business Associates and all other Stakeholders. Our consistent growth was made possible due to their hard work, solidarity, co-operation and support.

The Directors also thank the Government of India, various State Governments and concerned Government Departments/Agencies for their co-operation, support and look forward to their continued support in the future.

Your Directors acknowledge with gratitude, the encouragement and support extended by all our valued shareholders

For and on behalf of Board of Directors

29th July, 2021	D. R. Mehta	Himanshu Baid
New Delhi	Chairman	Managing Director

Annexure-1

REMUNERATION POLICY

Preamble:

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

Objectives:

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

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

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

Managerial Personnel and Senior Management directly linked to their efforts, performance, dedication and achievement relating to the Company's operations.

- To retain, motivate and promote talent and to ensure long term sustainability of talented Managerial Personnel and create competitive advantage.
- To develop a succession plan for the Board Members, Key Managerial Personnel and Senior Management and to regularly review the plan.

Constitution and Composition of Nomination and Remuneration Committee:

I. Membership of the Committee:

a) The Nomination and Remuneration Committee shall consist of a minimum 3 Non-Executive Directors, provided one half shall be Independent Directors.

b) Minimum two (2) members shall constitute a quorum for the Committee meeting.

c) Membership of the Committee shall be disclosed in the Annual Report.

d) Term of the Committee shall be continued unless terminated by the Board of Directors.

II. Chairman of the Committee:

a) Chairman of the Committee shall be an Independent Director.

b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting.

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

IV. Committee members' interests:

a) A member of the Committee is not entitled to be present when his or her own, remuneration is to be discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

V. Secretary:
The Company Secretary of the Company shall act as Secretary of the Committee.

VI. Voting:

a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of Committee.

b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

VII. Minutes of Committee Meeting:
Proceedings of all meetings must be recorded in minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

Definitions:

"Board'' means Board of Directors of the Company.

"Company'' means 'Poly Medicure Limited.''

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

"Key Managerial Personnel" (KMP) means:

(i) Managing Director or Chief Executive Officer or Manager

(ii) Whole Time Director

(iii) Company Secretary

(iv) Chief Financial Officer

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

"Policy" shall mean Nomination and Remuneration Policy.

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

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

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

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

I. Appointment Criteria and Qualifications:

a) The Nomination and Remuneration Committee ("Committee") shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and at Senior Management level and recommend to the Board his/her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on explanatory statement annexed to the notice for such motion including the justification for extension of appointment beyond the seventy years.

II. Term/Tenure

a) Managing Director, Whole Time Director and Executive Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole Time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) An Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board Report.

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

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

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

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

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

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

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

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

Removal:

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

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

Retirement:

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

Remuneration:

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

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

The Nominations and Remuneration Committee determines remuneration packages for Directors, KMP's and Senior Management Officials of the Company taking into account factors it deems relevant, including but not limited to market conditions, business performance, prevailing laws and other guidelines.

i. Remuneration to Executive Directors:

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

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

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

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

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

Duties of the Committee in relation to Nomination matters:

- Ensuing that on appointment to the Board, Non-Executive/Independent Directors receive a formal letter of appointment as per the provisions of the Companies Act, 2013.

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

Duties of the Committee in relation to Remuneration matters:

- To consider and determine the remuneration based on the principles of (a) pay for responsibilities (b) pay for performance and potential.
- To pay for growth and ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the Directors, KMP's and Officials in Senior Management
- To take into account financial position of the Company, qualification, experience, past performance, past remuneration etc.
- To consider other factors as the Committee shall deem appropriate for elements of the remuneration of the members of the Board and ensure compliance of provisions of Companies Act and other applicable laws.
- To ensure that a balance is maintained between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company in the remuneration of Directors, KMP's and Senior Management.
- To consider any other matters as may be assigned by the Board.

Review and Amend

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

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

The evaluation of Director(s), Key Managerial Personnel and president level employees of the Company is to be conducted on an annual basis by the committee. Below mention criteria may be assisted in determining the effective of the performance:

Executive Directors:

1. Performance Criteria:
    - Management qualities
    - Results/Achievements
    - Domain Knowledge
    - Decision making

2. Personal Attributes:

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

Non Executive Independent Directors and Non Executive Non Independent Directors

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

Annexure-2

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Board of Directors,
Poly Medicure Limited,
Property No. 232B, Third Floor,
Okhla Industrial Estate, Phase – III,
New Delhi 110020

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Poly Medicure Limited,** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon I report that:

a. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on my audit.

b) I have followed the Audit Practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

c) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

d) Wherever required, I have obtained the management representation about the compliance of law, rules and regulations and happening of events etc.

e) The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. My examination was limited to verification of procedures on test basis.

f) The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Based on my verification of the **Poly Medicure Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined all the documents and books, papers, minute books, forms and returns filed and other records maintained by **Poly Medicure Limited** ("the Company") for the Financial Year ended on 31.03.2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under were duly complied for the period from 1st April 2020 to 31st March 2021.

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under were duly complied for the period from 1st April 2020 to 31st March 2021.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings the Company has complied with for the period from 1st April 2020 to 31st March 2021 as disclosed by the management of the Company.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable as the**

Company was not required to file the disclosure under SEBI (SAST) Regulations, 2011 except annual disclosure which has been filed as stipulated as disclosed by the management of the Company.

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **The Company has filed all disclosure within prescribed time and duly complied all the provisions as disclosed by the management of the company.**

c) The Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018. (The Company has issued 76,33,587 Equity shares of ₹ 5/- each at a premium of ₹ 519/- per share on QIP basis on 19.02.2021 in compliance with provisions of ICDRA, 2018).

d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended up to date);

(Applicable, the company has received approval from shareholders at the Annual General Meeting held on 29.09.2020 with respect to Poly Medicure Employees Stock Option Scheme 2020. However, no options were issued during the period under Audit as disclosed by the Management.)

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the company has not issued and listed any debt securities under the regulations during the period under review).**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the company is not registered as Registrar to issue and Share Transfer Agent during the period under review).**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not Applicable as the company is still listed on BSE and NSE and not applied for delisting during the period under review.)**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable as the company has not bought back/ proposed to buy-back any of its securities during the financial year ended on 31.03.2021 under review.)**

i) The company has complied with the requirements under the Equity Listing Agreements entered with the Bombay Stock Exchange Limited (BSE), NSE and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(The Company has filed all disclosure within prescribed time and duly complied all the provisions as disclosed by the management of the company).**

However, it is noticed that National Stock Exchange of India Limited (NSE) have issued Notice vide its Notice No. NSE/LIST-SOP/CG/FINES/101661 dated August 20, 2020 Bombay Stock Exchange Limited (BSE) vide its email dated 20.08.2020 with respect to non compliance with Regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 towards appointment of Independent Woman Director and accordingly imposed a fine aggregating to ₹ 8,85,000/- each.

However, the Company has already appointed Independent Woman Director w.e.f. 29.08.2020 and also submitted its representations to the respective Stock Exchanges against the said Notice(s) on 01.09.2020 stating the reasons thereof in details and requested the stock exchange(s) to waive off the same.

Further, the Company has received email from NSE and BSE on 17.11.2020, the company has further replied to NSE and BSE on 25.11.2020 for further requesting them to waive off the fines levied with respect to the above said defaults. The reply from the Exchanges is still awaited.

j) Drugs and Cosmetics Act, 1940 and applicable labour laws.

k) The Memorandum and Articles of Association.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) w.e.f. 01.07.2015 (revised SS-1 and SS-2 w.e.f.01.10.2017).

‘

(ii) The Listing Agreements entered into by the Company with the BSE and NSE.

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notices were given to all directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda items were sent at least seven days in advance, and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Majority decisions are carried through while the dissenting members’ views are captured and recorded as part of the minutes.

- The company has complied with the provisions of Section 135 of the Companies Act, 2013, the Company was required to spend a sum of ₹ 211.78 lacs and company has spent a sum of ₹ 247.72 lacs up to 31.03.2021.

The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated and no fines or penalties were imposed during the period under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules and Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

I further report that during the period, there were no instances of:

- Public / Rights / Preferential Issue of Shares / Debentures / Sweet Equity.
- Redemption / buy-back of securities.
- Merger / amalgamation /reconstruction etc.
- Foreign technical collaboration.

FOR P.K. MISHRA & ASSOCIATES
COMPANY SECRETARIES

PAWAN KUMAR MISHRA
PROPRIETOR
Membership No. FCS-4305
COP No.16222
Date: 30-05-2021
Place: New Delhi
UDIN-F004305C000351399

Annexure-3

Particulars of Loans, Guarantees or Investments under Section 186

❖ Details of Investments as on 31st March, 2021

S. No.	Name of Company	Relationship	Amount (₹ in Lacs)
1	Plan1 Health India Private Limited*	Subsidiary	1.00
2	Poly Medicure (Laiyang) Co. ltd. China*	Subsidiary	472.39
3	Poly Medicure B.V., Netherlands*	Subsidiary	3417.79
4	Ultra for Medical Products Company (ULTRAMED), Egypt*	Associate	88.67

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

❖ **Details of Loans outstanding during the year ending 31st March, 2021**
The Company has no outstanding Loans as on 31st March, 2021.

❖ **Details of Guarantees as on 31st March, 2021**
The Company has not issued any Corporate Guarantee.

Annexure-4

Form No. AOC-2

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

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

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

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

(a) Name(s) of the related party and nature of relationship: **NA**

(b) Nature of contracts/arrangements/transactions: **NA**

(c) Duration of the contracts / arrangements/transactions: **NA**

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: **NA**

(e) Justification for entering into such contracts or arrangements or transactions **NA**

(f) Date(s) of approval by the Board: **NA**

(g) Amount paid as advances, if any: **NA**

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **NA**

2. **Details of material* contracts or arrangement or transactions at arm's length basis:**
   (*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company.)

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

(b) Nature of contracts/arrangements/transactions: **Job work Contract**

(c) Duration of the contracts / arrangements/transactions: **3 (Three) Years i.e. F.Y. 2018-19 to 2020-21.**

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Company hereby agrees for job work contracts for some of the products and components of Medical Devices and their components to M/s. Vitromed Healthcare (The Firm) and the Firm agrees to manufacture the same on Job work basis. The maximum amount of the Contract shall be ₹ 60 Crore in Financial Year 2018-19, ₹ 75 Crore in Financial Year 2019-20 and ₹ 90 Crore in Financial Year 2020-21.**

(e) Date(s) of approval by the Board, if any: **1st August, 2018.**

(f) Amount paid as advances, if any: **No Advance**

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

New Delhi	D. R. Mehta	Himanshu Baid
29th July, 2021	Chairman	Managing Director

Annexure-5

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21.

1. Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

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

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

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

2. Composition of the CSR Committee:

Sl No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Devendra Raj Mehta	Chairman-Independent Director	1	1
2.	Shri Jugal Kishore Baid	Member - Non Executive Director	1	1
3.	Smt. Mukulika Baid	Member - Non Executive Director	1	1

3. Provide the Web link where Composition of the CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company. Web link are as under: http://www.polymedicure.com/wp-content/uploads/2015/03/CSR_Policy_2015.pdf.

4. Impact Assessment of CSR projects carried out in pursuance of sub rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if any- Not Applicable

5. Amount required for set off for the financial year 2020-21, in pursuance of sub rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: Not Applicable

6. Average net profit of the Company for the last three financial years: Average net profit: ₹ 10,589.18 Lacs

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 211.78 Lacs/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year 2020-21: Not Applicable

(d) Total CSR obligation for the financial year 2020-21: ₹ 211.78 Lacs/-

8. (a) CSR Amount spent or unspent for the financial year:

Total Amount spent for the financial year (In ₹)	Amount unspent (In ₹)				
	Total Amount transferred to unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 247.72 Lacs	Not Applicable				

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: ₹ **247.72 Lacs**

Sl. No.	Name of Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/ No)	Location of Project		Amount Spent for the Project (In Rs.)	Mode of Impleme-ntation-Direct (YES/ NO)	Mode of implem-entation-Through impleme-ntation agency
				State	District			
1	On Promotion of Healthcare	(i)	YES	HARYANA (Faridabad) RAJASTHAN (Jaipur) UTTARAKHAND (Haridwar)		123.53	No	Bhagirathi Seva Pranyas, Terapanth Yuak Parisad Trust, Lung Care Foundation
2	On Promotion of Education	(ii)	YES			97.35	No	Rotary Club, Jaipur, Shri Jain Shewtamber Terapanth Shiksha Samiti, Prakrat Bharati Acadmey
3	On Welfare for disabled person and social welfare	(ii)	YES			26.84	No	Shri Bhagwan Mahaveer Viklang Sahayata Samiti, Samarpan Sansthan
			TOTAL			**247.72**		

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment: Not applicable

(f) Total amount spent for the financial year 2020-21 (8b+8c+8d+8e): ₹ 247.72 Lacs

(g) Excess amount for set off, if any: NIL

Sl. No.	Particulars	Amount (in Rs.)
1.	Two percent of average net profit of The Company as per Section 135(5)	₹ 211.78 Lacs
2.	Total amount spent for the F.Y. 2020-21	₹ 247.72 Lacs
3.	Excess amount spent for the F.Y. 2020-21	NIL
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
5.	Amount available for set off in succeeding financial years (iii-iv)	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

   (b) Details of CSR amount spent in the F.Y. 2020-21 for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, the details relating to the asset so created or acquired through CSR spent in the F.Y. 2020-21- Not Applicable

11. The reason for failure to spend two percent of the average net profit as per Section 135(5): Not applicable

Responsibility Statement by the Corporate Social Responsibility Committee:
The responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Shri Devendra Raj Mehta
(Chairman CSR Committee)

Himanshu Baid
(Managing Director)

Annexure-6

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

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	– Ratio of the remuneration of Shri Himanshu Baid, Managing Director to the median remuneration of the employees – 320 :1 – Ratio of the remuneration of Shri Rishi Baid, Joint Managing Director to the median remuneration of the employees – 313: 1 – Ratio of the remuneration of Shri Jas Karan Oswal, CFO – 21 : 1 - Ratio of the remuneration of Shri Avinash Chandra, CS – 4 : 1
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	– Shri Himanshu Baid, MD – 50.93% – Shri Rishi Baid, JMD – 51.56% – Shri Jas Karan Oswal, CFO – 4.39 % – Shri Avinash Chandra, CS – 23.98 %
(iii)	Percentage increase in the median remuneration of employees in the financial year	0.09 %
(iv)	Number of permanent employees on the rolls of company	2,039 Employees
(v)	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

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

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

S. No.	Name/ Designation	Age	Qualification & Experience (in Years)	Date of commencement of Employment	Nature of Employment	Remuneration received	Last Employer & Designation Head	%age of Equity share holding	Whether, employee is the relative of other Director(s), if so, name of such Director
1	Shri Vishal Baid, President (Corporate Sales & Marketing)	47	CA 20 years	01.06.2011	Contractual	1,14,98,758/-	Self- Employment	3.26 % (includes wife share holding)	Shri J.K. Baid Smt. Mukulika Baid Shri Himanshu Baid Shri Rishi Baid
2	Shri Manish Sardana, President (Sales & Marketing - India)	49	B. Pharma, MBA, 23 years	02.01.2019	Non Contractual	78,10,342/-	Terumo India Pvt. Ltd., as Director	-	No
3	Shri Naresh Vijayvergiya, President (Finance & Strategy)	54	Master of Financial Administration (MFA), 32 years	20.04.2020	Non Contractual	67,45,669/-	MMTC PAMP India Pvt. Ltd	-	No
4	Shri Sujit Kumar Gupta, AVP (Sales & Marketing-Intl.)	47	B Com. PGDIB, EMBA 22 Years	13.09.1999	Non Contractual	51,38,627/-	-	-	No
5	Shri Hemant Bhalla V.P (Sales & Marketing)	62	BSc., Dip. in Business Management & Ind. dmn.) 40 Years	06.09.2006	Non Contractual	48,87,486/-	Self-Employment	-	No
6	Nitin Taran Jain, General Manager, (R&D)	45	CIPET 24 Years	01.08.2019	Non Contractual	46,21,923/-	Jaypee Autoplast, Sumi Motherson Integrated Technologies Ltd, Motherson Sumi infotech and Designe Ltd, SMIIEL, A unit of Motherson Sumi Systems Ltd, Motherson Automotive Technologies and Engg. Ltd.	-	No
7	Shri Pankaj Kumar Gupta AVP (R&D)	54	BE (Tool Engg.) 32 Years	18.02.2008	Non Contractual	43,87,344/-	Eastern Medikit Ltd., as Manager	-	No
8	Shri S.S. Rawat AVP (QA)	56	B.Sc. and MBA 35 Years	06.07.2009	Non Contractual	43,27,995/-	Ind-Swift Ltd, as Senior Manager (QA)	-	No
9	Shri Rakesh Bothra AVP (Shipping &Logistics)	50	B.Com. (H), CA (Inter) 30 Years	27.11.2002	Non Contractual	40,14,860/-	BIDM Asia Pacific Systems P. Ltd. as Accounts Manager	-	No
10	Abhinav Dixit Deputy General Manager, Sales and Marketing (Domestic)	42	B.E , Executive Post Graduation Diploma in International Business Strategy, 20 Years	01.07.2017	Non Contractual	32,23,559/-	Boyle Healthcare Pvt, Ltd, Media Systems Private Ltd, FreseniusKabi India Pvt. Ltd, Nexogenix Life Sciences Pvt. Ltd	-	No

Persons employed for the full year ended 31st March 2021 who were in receipt of the remuneration which in the aggregate was not less than ₹ 1,02,00,000/- p.a.

S. No.	Employee Name	Designation	Gross Remuneration (₹ In Lacs)	Qualification	Total Experience in Years	Date of commencement of Employment	Age in years	Last Employer & Designation Head
1	Shri Himanshu Baid	Managing Director	916.94	Electronics Engineer	32	20th September, 1996	52	Hanuman Tin Factory as Manager
2	Shri Rishi Baid	Joint Managing Director	896.02	BSME, MSME	27	1st August, 1997	48	Miles Pharma Inc. USA as Engineer

Persons employed for part of the year ended 31st March, 2021 who were in receipt of the remuneration which in the aggregate was not less than ₹ 8,50,000/- p.m.

S. No.	Employee Name	Designation	Gross Remuneration (₹ In Lacs)	Qualification	Total Experience in Years	Date of commencement of Employment	Age in years	Last Employer & Designation Head
N.A.								

Notes:

1. Remuneration includes salary, allowances, Company's contribution to provident fund, commission, retirement benefits and monetary value of perquisites. The term remuneration has the meaning assigned to it in the Explanation to Section 198 of the Companies Act, 2013.

2. The nature of employment in all cases is contractual. The other items and conditions are as per the companies rule.

3. Shri Himanshu Baid, Managing Director is related to Shri Jugal Kishore Baid, Director, Smt. Mukulika Baid, Director and Shri Rishi Baid, Joint Managing Director.

4. Shri Rishi Baid, Joint Managing Director is related to Shri Jugal Kishore Baid, Director, Smt. Mukulika Baid, Director and Shri Himanshu Baid, Managing Director.

Annexue-7

MANAGEMENT'S DISCUSSION AND ANALYSIS

Healthcare Sector: A Snapshot

Healthcare has become one of the largest sectors of the Indian economy, in terms of both revenue and employment. It has been growing at a CAGR of 22% since 2016, employing 4.7 Million people directly. The sector has the potential to generate 2.7 million additional jobs in India between 2017-22- over 500,000 new jobs per year. Several factors are driving the growth of the Indian healthcare sector including an aging population, a growing middle class, the rising proportion of lifestyle diseases, an increased emphasis on public-private partnerships as well as accelerated adoption of digital technologies, including telemedicine, besides heightened interest from investors and increased FDI inflows over the last two decades.

The Indian Government has undertaken deep structural and sustained reforms to strengthen the healthcare sector and has also announced conducive policies for encouraging FDI. The Aatmanirbhar Bharat Abhiyaan packages include several short-term and longer-term measures for the health system, including Production-Linked Incentive (PLI) schemes for boosting domestic manufacturing of pharmaceuticals and medical devices.

The COVID-19 pandemic has not only presented challenges but also several opportunities for India to grow. The crisis has opened the flood gates for Indian start-ups, many of whom have risen to the occasion and accelerated the development of low-cost, scalable, and quick solutions. Further, the pandemic is providing an impetus to the expansion of telemedicine and the home healthcare market in the country. All these factors, together, make India's healthcare industry ripe for investment. In the hospital segment, the expansion of private players to Tier 2 and Tier 3 locations, beyond metropolitan cities, offers an attractive investment opportunity.

India also has the opportunity to boost domestic manufacturing of pharmaceuticals and Medical devices &diagnostics supported by the recent PLI schemes, alongside offering investment avenues in segments like contract manufacturing and research, over-the counter drugs, and vaccines.

India is also a land of opportunities for players in the medical devices industry, with tremendous opportunities for expansion of diagnostic and pathology centres as well as miniaturised diagnostics.

India's healthcare industry comprises hospitals, medical devices and equipment, health insurance, clinical trials, telemedicine and medical tourism.

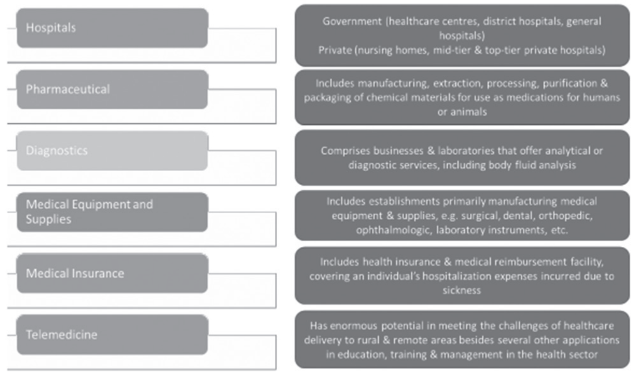


***Figure 1:** Major Segments in India's Healthcare Sector*[1]

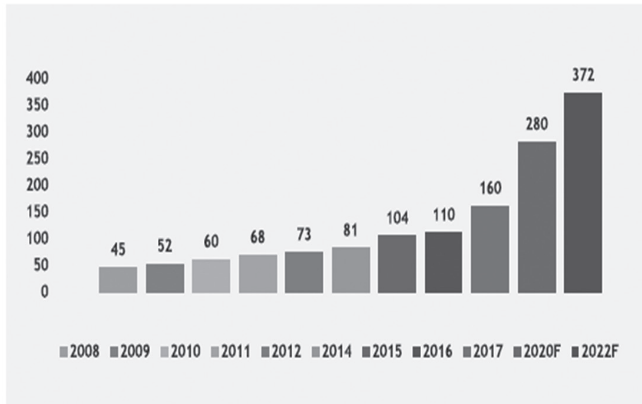


***Figure 2:** Growth Trend of India's Healthcare Sector (USD Billion)*[2]

***Note:** Compound Annual Growth Rate (2008-2022): 16.28%*

Medical Device Industry: Global medical device industry clocked a CAGR of 4.7% over fiscals 2015–2019

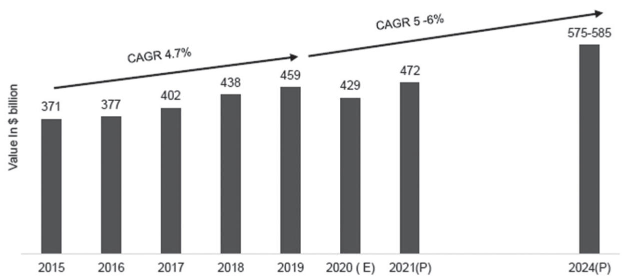
The global medical device industry reported a CAGR of 4.7% from $371 billion in fiscal 2015 to $459 billion in fiscal 2019. Research estimates that the industry's market size contracted and was valued at $429 billion in fiscal 2020, due to the pandemic. Though the healthcare system has been put to major use during this period, discretionary spending and capital expenditure on medical devices were hurt. Along with this, postponement of surgeries and reduced individual spending has hurt the medical device industry.

Demand for some products has increased (such as personal protection equipments and ventilators) amid the pandemic, but some products have reported reduced sales due to the postponement of elective surgeries. The pandemic has also strained the global trade and medical device supply chain due to the lockdown.

The impact of the coronavirus is uncertain but large section of medical device companies appear to be feeling the malaise of the coronavirus outbreak on account of disruption to the supply chain in China and decreased demand for many products with fewer patients seeking standard hospital care.

While most manufacturers currently project only a modest headwind from the virus outbreak, how it will affect the year ahead depends on the duration of the epidemic and the success of containment efforts. But as per industry interactions the impact is expected to be subdued with mild recovery in 2021. The medical device industry is expected to recover quickly on account of pent-up demand for medical procedures and normalcy in economic activities and business operations post introduction of vaccination.

Market size of global medical device industry during fiscals 2015–2024



Source: CRISIL Research

The global impact of COVID 19 has been unprecedented and staggering, with medical devices witnessing a negative impact on adoption rate across all regions amid the pandemic. Based on difference analysis, the global market exhibited a decline of 3.7% in 2020. The market is projected to grow from USD 455.34 billion in 2021 to USD 657.98 billion in 2028 at a CAGR of 5.4% in the 2021-28 period. The sudden rise in CAGR is attributable to this market's demand and growth, returning to pre-pandemic levels once the pandemic is over.

Supply chain disruptions of medical devices and essential medical supplies were prominent in 2020, especially due to travel and trade restrictions all over the globe. Also, to prevent the rapid spread of COVID-19 globally, medical procedures were classified as elective and essential procedures. All elective procedures were cancelled, or healthcare facilities were directed to postpone these procedures.

This resulted in a moderate impact of COVID-19 on specific segments of the market, such as the general surgery, minimally invasive surgery, ophthalmology, wound management etc. In contrast, a higher negative impact on crucial segments such as orthopaedic devices, dental devices and cardiovascular devices were observed in 2020. However, few segments including IVD, diabetes care, and other medical and hospital supplies, witnessed significant growth of the market during the same period due to sudden rise devices to manage patients suffering with coronavirus.

Review and outlook for medical devices industry in India

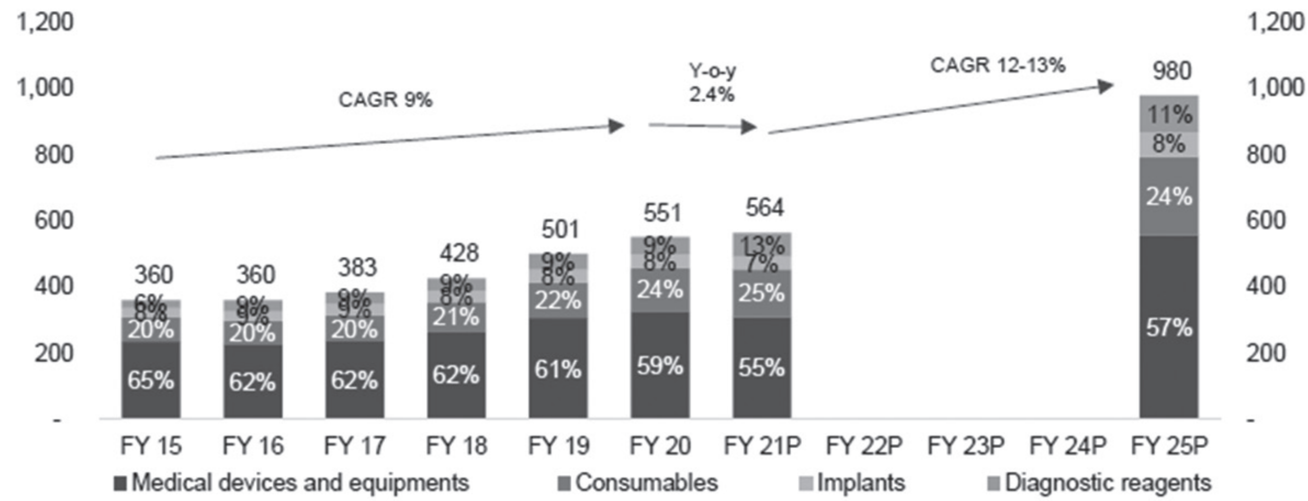
Indian medical device sector is estimated at ₹ 540-560 Bn in fiscal 2020, comprises more than 14,000 different product types, ranging from wound closure pads to stents. The sector is highly fragmented and is predominantly import driven. Imports account for 70-80% of the total market and sales of medical electronics, hospital equipment, surgical instruments, implants and diagnostic reagents. Consumables and disposables are primarily manufactured in India, with imports accounting for ~40% of the sales. Close to 800-1,000 domestic firms are primarily involved in manufacturing low to medium technology products. Indian firms engaged in this industry are typically small and medium-scale enterprises, manufacturing products such as disposable and medical supplies and competing in low-priced, high-volume segments.

Medical devices industry registered 9% CAGR between fiscals 2016 and 2020 as public and private healthcare spending rose robustly

The hospital healthcare industry registered 14% CAGR during last 5 years, driving growth for the medical devices and equipment industry. The medical devices industry grew because of increased spending on healthcare and expansion of healthcare facilities.

Government spending on healthcare grew to 1.6% in fiscal 2020 from 1.4% of GDP in fiscal 2018, and Private final consumption expenditure (PFCE) healthcare spending logged 12% CAGR from fiscals 2015 to 2019 at current prices. Increase in insurance penetration, medical treatments supported by the PMJAY Ayushmaan Bharat, and usage of technological and medical equipment in public as well private hospitals across rural and urban India also supported the medical devices industry.

Trend in medical devices industry



Source: CRISIL Research

Medical devices industry to log 12-13% CAGR over fiscals 2020-2025

The hospital industry is projected to clock 13-15% growth over the period supporting demand for medical devices and consumables. Rise in per capita income, awareness about health diagnostics, healthcare spend, chronic and non-chronic diseases, and penetration of medical insurance will aid growth of the medical devices industry.

The Indian medical device is 2.5-3.0% of the global medical devices market. With Government of India's focus on policy framework and ecosystem support, and the increase in demand of healthcare services in India, Indian medical device industry is expected to grow faster at 12.0-13.0% between fiscal 2020 and 2025 than global industry, which is expected to grow at 5.0-6.0% CAGR between fiscal 2020 and 2025.

Medical equipment and electronics form the largest component of medical devices industry

- Medical equipment and electronics segment is estimated at Rs 320-330 million in fiscal 2020
- The segment logged 7% CAGR from fiscals 2016 to 2020
- With 60-65% share, medical equipment& electronics is the largest segment in the overall medical devices industry

Medical device segments	FY20	FY25	CAGR FY20-FY25
Cardiology	11.5%	12.0%	12%
IVD	10.0%	11.0%	13%
Diagnostic Imaging	10.0%	10.0%	11%
Orthopaedics	9.0%	8.0%	9%
Ophthalmic	7.0%	7.5%	13%
General & plastic surgery	6.0%	6.3%	12%
Others	46.5%	45.2%	11%

Source: Industry estimates, CRISIL Research

Medical consumables and disposables see robust rise in demand in the pandemic situation

- Medical consumables and disposables segment is estimated at Rs 125-135 million in fiscal 2020
- The segment clocked 12% CAGR from fiscals 2016 to 2020

Implants segment to see rise in demand as health treatment increase with increase in insurance penetration and increase in penetration of healthcare facilities

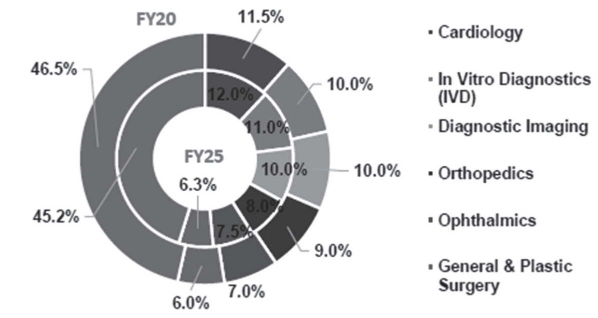
- Implants segment is estimated at Rs 40-45 million in fiscal 2020
- The segment clocked 8% CAGR from fiscals 2016 to fiscal 2020

IV diagnostics and reagent segment to see robust 16.5% CAGR over fiscals 2020-2025

- IV diagnostics and reagent segment is estimated at Rs 50-55 million in fiscal 2020
- The segment clocked 17% CAGR from fiscals 2016 to 2020

Impact of pandemic - Medical devices impacted positively by demand for diagnostics and ventilators

The pandemic has increased the demand for diagnostic tests and reagents and equipment such as ventilators and critical care units. Demand for consumables such as sanitisers, masks, PPE kits, gloves etc, have also increased. The sudden onset of the pandemic impacted supply chain from neighboring countries and key exporters around the world. The consumables and diagnostics segment grew robustly in fiscal 2021 as demand grew. Others segments such as medical devices and implants saw a decline with the decrease in medical procedures conducted in hospitals and capex by hospitals. Overall the medical device industry is expected to grow marginally at 2.4% y-o-y in fiscal 2021. Consumables saw a rise of 20% in fiscal 2021, driven by pandemic related consumption, when the hospitals were closed for planned surgeries.

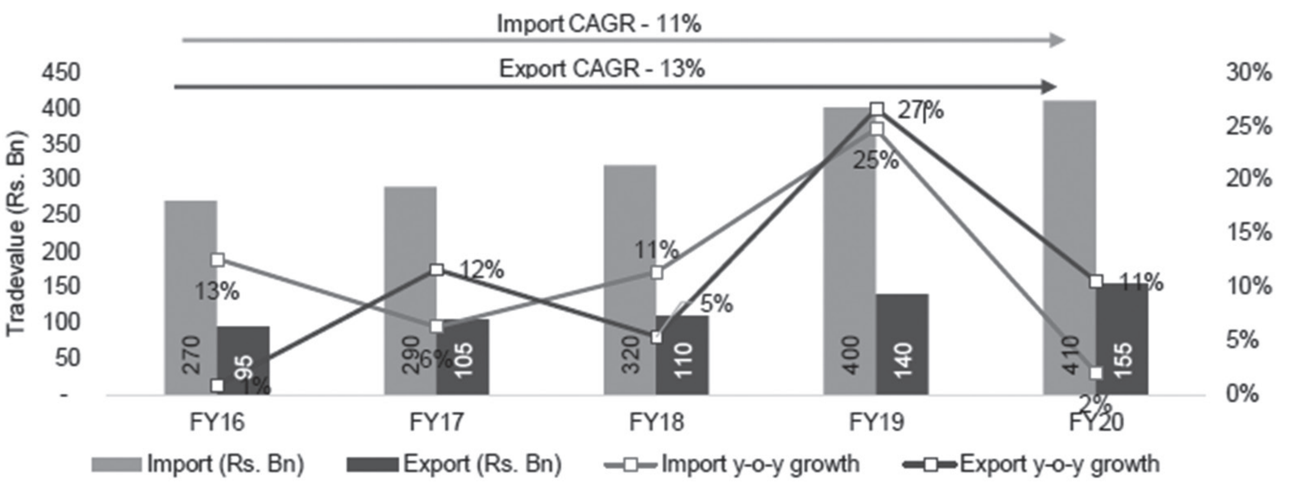


Source: Industry estimates, CRISIL Research

Exports

Exports grew at 13% CAGR, from Rs 95 billion in fiscal 2016 to Rs 155 billion in fiscal 2020. India has fairly concentrated exports, with top regions contributing to 90%, and exports majorly in the consumables segment. Europe has a higher share in exports of medical device and consumables from India with 35% share, followed by the United States with 17.8% share in fiscal 2020

Import-export trend for the medical device industry



Source: DGFT, DGCIS, CRISIL Research

Growth Drivers for Indian Medical Device Industry

Both demand- and supply-side factors are driving growth for the medical device industry in India. While demand-side factors include rising income level and healthcare expenditure, ageing population, increased occurrence of chronic and lifestyle disease, and increased awareness about healthcare diagnostics and prevention, demand for quality healthcare, increase in health insurance; it is the government's focus on 'Make in India', industry-supportive policies and schemes, potential for import substitution, and shift from geographic concentration of imports from the supply side. Regulation of product pricing and Government's focus on providing cost effective healthcare service in India will led to higher demand for cost-effective products which will generate demand for locally manufactured products that are distributed at competitive prices.

India is among the fast-growing markets for healthcare and medical devices in the Asia-Pacific. With improving medical device regulations, setting up of the National Medical Devices Promotion Council, and the government's focus on manufacturing of medical device, there is huge potential for the Indian medical manufacturing industry.

- Key government schemes and programmes under implementation/ announced (Ayushman Bharat, National Health Policy, etc)

- Increase in medical insurance penetration - Insurance penetration (premiums as percentage of GDP) in India reached 3.7% in fiscal 2019 from 2.7% in fiscal 2002. As of fiscal 2019, 472 million people were covered under health insurance as against 216 million in fiscal 2014, increasing at 16.9% CAGR

- Large elderly population of 52 million (70+ years) in 2020 which is expected to double in the next 15-20 years

- Rising urbanisation and adoption of sedentary lifestyles, fuelling chronic diseases

- Change in disease profile: Shift to non-communicable diseases (lifestyle-related diseases such as heart-related ailments, diabetes, etc)

- Investment in nurse training programmes to enhance knowledge of advanced wound care techniques

- Growing number of surgical procedures conducted in India, exceeding 18mn per annum

- Growing medical tourism: Medical tourism has grown at 20% CAGR from 2009 to 2019, with 60-65% share from neighbouring countries

- Foreign direct investment (FDI) in the medical device sector has increased from Rs 10.8 billion in fiscal 2016 to Rs 21.9 billion, at 19.5% CAGR

- Economic growth supporting higher disposable incomes. Rise in per capita income at 5% in nominal terms from fiscals 2012-20, increasing in higher demand for healthcare products and services

- Increased Public Spending in Healthcare and targets to achieve 2.5% of GDP by 2025 from 1.3% in fiscal 2018
- Increased private investment in Healthcare and Public Private Partnership (PPP) route for capital expenditure in healthcare supporting penetration of medical facilities

Prior to COVID-19, the health-tech industry was primarily focused on developing wearable gadgets, diagnostics and medicine delivery solutions; facilitating early diagnosis of genetic conditions; treating lifestyle-linked problems like stress and anxiety through remote therapy as well as post-procedure pain alleviation.

Post the pandemic, new opportunities are likely to emerge in the health-tech space, including development of tools for facilitating emergency care, and improvements to medical infrastructure through technology-based optimisation. For instance, the scope of wearable devices could be expanded to track health conditions. Patient-facing mobile health applications could also be developed, along with enabling greater integration of AI, robots, and blockchain technologies e.g., surgical robots, sensors, remote diagnostics, electronic records and monitoring systems.

Specific Enabling Policies by the Government for the medical devices industry

- **The Jan Aushadhi stores:** Presently provide over 204 types of surgical equipment, which the Government aims to expand to 300 surgical products by the end of March 2024. Citizens can also access free diagnostics at HWCs under the Ayushman Bharat programme. Similarly, under PM-JAY, medical devices are available to patients free of cost at empanelled secondary and tertiary care facilities.

- **Medical Devices Rules 2017:** Recognizing the critical role played by medical devices in ensuring a well-functioning healthcare system, the Ministry of Health & Family Welfare (MoHFW) notified the Medical

Devices Rules, 2017. Previously, only 15 categories of devices were subject to regulation, that too under the umbrella of drugs.

- ✓ The Rules, on the other hand, acknowledge the increasing diversity of devices and have been framed in alignment with international best practices. As per the Rules, devices have been classified and will be regulated according to their risk profile.
- ✓ For ensuring that devices adhere to the highest quality standards, the Rules emphasise third-party evaluation and certification.
- ✓ The process of applying for a manufacturing and import license has also been streamlined through an online electronic platform.
- ✓ In order to improve the availability of quality diagnostics across health facilities in India, the National Essential Diagnostics List has also been finalised.

- **Medical Device Parks:** In order to boost indigenous manufacturing of medical devices, the Government has adopted a 'Manufacturing Ecosystem Cluster Development' approach. Medical device parks are being developed around four device manufacturing clusters in the country. State Governments are committed to setting up dedicated industrial parks for enabling efficient domestic manufacturing at lower costs. These parks will provide allthe essential infrastructure, allowing companies to 'plug and play'. Further, companies will have easy access to in-house standard manufacturing/testing facilities as well as consolidated raw material procurement. They will be able to use the common facilities and pay for them on a per-unit manufactured basis. Crucially, this mechanism will ensure that all necessary approvals are in place before hand, thereby reducing the time taken to begin commercial production.

  The Andhra Pradesh MedTech Zone (AMTZ) is a comprehensive healthcare ecosystem for providing capital intensive scientific facilities required by most medical devices manufacturers and over 200 modern independent manufacturing units. AMTZ has nurtured institutions like the Kalam Institute of Health Technology, Indian Biomedical Skill Consortium, Medivalley and Biovally Incubation Council, which provide support for policy initiatives as well as consultancy on various healthcare projects in the Country.

  AMTZ is also focusing on critical components research. Critical components contribute only 20% of medical devices manufacturing but strategically block the indigenization or improvisation of domestic medtech. These components are not manufactured in India and importing them makes medtech commercially unviable. As a result, India has been importing finished medtech products for several decades at a huge cost to the exchequer. It is therefore important to address this chronic manufacturing disability. Moreover, apart from robust domestic demand there is strong global potential for these components due to the presence of a relatively small number of manufacturers in the global markets.

- **Public Procurement Order:** As per the Competitive Public Procurement Order, the Government is also giving preference to local suppliers of medical devices and equipment during tender selection.

- **PLI Scheme for Medical Devices:** Under the AatmaNirbhar Bharat Abhiyaan, a PLI scheme for manufacturing of medical devices in four identified categories has also been announced with a total financial outlay of INR 3,420 Crore. Multiple efforts are being made to strengthen the research and development ecosystem in the country for innovation of new technologies in medical devices as well as product optimization of existing technologies. The scheme for development of MedTech Zones with common scientific and manufacturing facilities is also part of the AatmaNirbhar Bharat package.

Production Linked Incentive (PLI) Scheme for promotion of domestic manufacturing of medical devices	
Overview	INR 3,420 Crore
Incentive	5% of incremental sales over base year 2019-20 will be provided on the segments of medical devices identified under the scheme.
Total financial outlay	INR 121 Crore
Tenure	FY 2020-2021 to FY 2027-2028
Promotion of Medical Devices Parks	
Overview	A one-time grant-in-aid will be provided for creation of common infrastructure facilities in selected medical device parks proposed by a State Government
Incentive	100 Crore per park
Total financial outlay	INR 400 Crore
Tenure	FY 2020-2021 to FY 2024-2025

- The Government recently introduced a cess of 5% on import of certain medical goods to help finance healthcare infrastructure and services. This increases the cost of importing medical devices in India thereby supporting domestic manufacturing.

Policy makers in India will need to set out an action plan to reduce the country's dependency on medical devices/ technology imports.

With a futuristic and collaborative approach, India will be poised to exponentially grow its medical devices sector to its full potential not only to improve standards of healthcare in India but also to emerge as a trusted partner to the world for healthcare transformation.

Medical device companies should develop India as a manufacturing hub for domestic and international markets, undertake India-based innovation in combination with indigenous manufacturing, collaborate across the Make in India and Innovate in India schemes, and produce Low to Medium technology products to cater to the underpenetrated domestic markets.

Overview of the Company

We are among the top companies in the medical devices industry in India, in terms of operating income and profitability margin performance, in Fiscal 2019 *(Source: CRISIL Report).* We manufacture and supply, in India and internationally, a diverse portfolio of medical devices in the product verticals of infusion therapy, oncology, anesthesia and respiratory care, urology, gastroenterology, blood management and blood collection, surgery and wound drainage, dialysis, central venous access catheters, veterinary medical devices and others. As of March 31, 2021, we had over 130 SKUs of medical devices.

Over the years, we have developed an extensive sales and distribution network across India. We supplied our products to over 110 countries, in Europe, Africa, Americas, Australia, and Asia through a network of over 220 distributors in these jurisdictions. In Fiscal 2021, revenue generated from sales outside India represented 69% of our revenue from operations.

We have been recognized as the top exporter of plastic medical disposables/ surgical items for the years 2018-2019 and also forthe previous four consecutive years, by the Plastics Export Promotion Council, sponsored by the Ministry of Commerce and Industry, Department of Commerce, the Government of India. We have received **"Atmanirbhar Medtech Company"** by Medgate Today, and have also received the **"Forbes Asia Best under a Billion"** award in 2020 as the region's top 200 small and midsized companies.

Business Operations and Manufacturing Facilities

India

We currently operate eight manufacturing facilities across India, China, Egypt and Italy. In India, we operate five manufacturing facilities, three of which are situated at Faridabad (Haryana), and one each in Jaipur (Rajasthan) and Haridwar (Uttarakhand). In addition, we are in the process of expanding the manufacturing capacities at our facilities situated in Faridabad (Haryana) and Jaipur (Rajasthan). We also propose to set-up two new manufacturing facilities in Faridabad (Haryana) in the coming years. Our Indian and International manufacturing facilities have been accredited with several international quality certifications. All our manufacturing facilities have been accredited with the EC certificates for quality assurance systems and EN ISO 13485:2016 certifications. Further, our Faridabad Facilities and HaridwarFacility, have also been accredited with management system certificates for compliance with ISO 9001:2015.

Foreign Facilities

We also operate one manufacturing facility in China through our wholly-owned subsidiary Poly Medicure (Liayang) Company Limited that is certified to be compliant with Korea Good Manufacturing Practices by the Korea Food and Drug Administration, Ministry of Food and Drug Safety and has been accredited with a EC certificate for quality assurance system and EN ISO 13485:2016 for its quality management system. In addition, we operate one manufacturing facility in Assuit, Egypt, through our associate Ultra for Medical Products that is also accredited with EC certificates or quality assurance system. We also operate one manufacturing facility in Italy through our step-down subsidiary Plan1 Health S.R.L., which is accredited with EC certification for quality assurance system and EN 13485:2016 for its quality management system by DEKRA Certification B.V. Netherlands.

Manufacturing Process & Technology

We use different technologies for manufacturing different medical devices, including injection molding, extrusion, insert molding, blow molding, ultrasonic welding, UV bonding and laser welding and we have expertise in handling different kind of specialized plastic materials.

The manufacturing of components takes place on highly advanced PLC controlled plastic injection molding machines by using hot runner system or runner less mold technology, which is a clean technology and generates minimal scrap. Tubes are produced on highly accurate extruders with good yield. Our assembly machines are built-in with poka-yoke features and vision inspection systems. Our manufacturing facility is equipped with CNC controlled machines which enable accurate and efficient control over fabrication of molds.

We further employ kaizen or lean manufacturing technology for cycle time reduction in various manufacturing processes.

Our manufacturing process comprises of using raw materials in molding or tubing through extruders, following which components are assembled and samples are tested. The products are packed using a blister packing machine in duplex or correlated boxes and the final products undergo sterilization and quality checks.

Our manufacturing processes are fairly automated with use of robotics and certain other technologies that have been developed and programmed in-house. These include, automated arms installed at our assembly machines, which are designed and programmed for specific assembly functions that may be deployed for various product variants. Our manufacturing equipment is also supported by 'Servo' systems that enable precise machine movements that improves accuracy in our processes and limits generation of scrap. As part of our quality control operations, we have deployed advanced vision systems to identify manufacturing anomalies in products that are then separated from the assembly line by the automated arm. As part of our automation efforts, we have equipped our machines with color sensors and internet ports to ensure greater accuracy, and easier intervention for operational control.

Research and Development

We rely on our R&D operations to keep pace with our technological developments and to remain competitive in the market. We operate the R&D Centre at Faridabad, Haryana which is approved by DSIR. Our R&D efforts are primarily focused on developing new products within our existing product verticals as well as introduce products to enter into new product verticals, particularly focusing on fluid management within non-communicable diseases segment, including oncology, nephrology and cardiology, and further improving existing processes and production cost efficiency. As a result of our intensive R&D activities, as of March 31, 2021, we have been granted over 310 patents and have also filed for grant of over 160 patents in India and worldwide, including in the United States of America, Europe and the United Kingdom, South Africa, Russia, China and Australia. Our R&D Center is equipped to undertake rapid prototyping using 3D printers, process validation and customization of products. Through our R&D initiatives, we also seek to minimize process wastage and develop environmentally friendly products by using biodegradable materials.

Sales and marketing network

We supplied our products to over 110 countries, in Europe, Africa, Americas, Australia, and Asia through a network of over 220 distributors in these jurisdictions. For many of our distributors, we offer local or regional exclusivity, which grants these distributors an area in which they are the only authorized distributors of our medical devices, subject to certain conditions.

We also have a country-wide sales and distribution network in India which enables us to have a wide market base. As of March 31, 2021, our distribution network included over 220 personnel in our sales and marketing teams, comprising product and clinically trained graduates, as well as supply chain management personnel. Our sales division is involved in the promotion of our products in private and government hospitals, including by conducting continuing medical education programmes in several hospitals. As of March 31, 2021, we distributed our products in over 5,500 private and government hospitals and nursing homes in India. We believe we have developed long-term relationships with a majority of our distributors.

Financial Performance (Consolidated)

Income

The Company's total revenues comprise revenue from operations and other income.

Total revenue increased from ₹ 70,570.24 lacs in fiscal 2020 to ₹ 80,488.46 lacs in fiscal 2021 i.e. 14.05 % and this increase is primarily due to growth in our revenue from operations, for reasons described below.

Revenue from Operations

The Company's net revenue from operations increased from ₹ 68,723.90 lacs in fiscal 2020 to ₹ 78,646.96 lacs in fiscal 2021, which was primarily due to increased sales of our products.

Sale of products increased from ₹ 66,926.17 lacs in fiscal 2020 to ₹ 77,503.53 lacs in fiscal 2021 primarily on account of increase in sales of our products, including from the continued sale of our medical devices Infusion therapy products and blood management products.

Other operating revenues decreased from ₹ 1,797.73 lacs in fiscal 2020 to ₹ 1,143.43 lacs in fiscal 2021.

Other Income

Other income decreased from ₹ 1,846.34 lacs in fiscal 2020 to ₹ 1,841.50 lacs in fiscal 2021 primarily on account of decrease in interest income and decrease in gains on net foreign exchange fluctuations.

Expenses

The Company's total expenses increased from ₹ 58,211.98 lacs in fiscal 2020 to ₹ 62,814.13 lacs in fiscal 2021.

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

Cost of raw materials including packing materials consumed (which includes plastic granules, PVC sheets, boxes, medical paper and film) and purchase of stock-in-trade increased from ₹ 21,704.50 lacs in fiscal 2020 to ₹ 26,185.70 lacs in fiscal 2021 due to increased production.

Employee Benefit Expenses

Employee benefit expenses increased from ₹ 13,876.44 lacs in fiscal 2020 to ₹ 14,175.70 lacs in fiscal 2021, primarily due to an increase in the salaries, wages and bonus, and on account of increase in the number of employees from 2,034 as on March 31, 2020 to 2,039 as on March 31, 2021.

Research and development expenses

Research and development expenses increased from ₹ 1,194.24 lacs in fiscal 2020 to ₹ 1,314.45 lacs in fiscal 2021, primarily on account of increase in employee benefits expenses for research and development. As a percentage of our total revenue, research and development expenses decreased from 1.69% in fiscal 2020 to 1.63 % in fiscal 2021.

Other Expenses

Other expenses decreased from ₹ 15,552.59 lacs in fiscal 2020 to ₹ 15,534.90 lacs in fiscal 2021.

Earnings before interest, tax and depreciation

The Company's EBITD increased from ₹ 18,456.54 lacs in fiscal 2020 to ₹ 23,608.78lacs in fiscal 2021. This is 29.33 % of total revenue as against 26.15 % in previous year.

Depreciation and amortization expenses

The Company's depreciation expenses increased from ₹ 4,052.78 lacs in fiscal 2020 to ₹ 4,752.20 lacs in fiscal 2021 due to more capitalization in existing plant as well as new plant.

Finance costs

The Company's finance costs decreased from ₹ 1,831.43 lacs in fiscal 2020, to ₹ 851.18 lacs in fiscal 2021, primarily on account of decrease in borrowings.

Profit Before Tax

The Company's profit before tax increased from ₹ 12,572.33 lacs in fiscal 2020 to ₹ 18,005.40 lacs in fiscal 2021.

Tax Expenses

Tax expenses increased from ₹ 2,984.54 lacs in fiscal 2020 (which consist of current tax of ₹ 3,317.28 lacs, deferred tax of ₹ (384.10) lacs and Tax adjustment for earlier years ₹ 51.36 lacs) to ₹ 4,417.96 lacs in fiscal 2021 (which consist of current tax of ₹ 4,441.52 lacs, deferred tax of ₹ (8.34) lacs and Tax adjustment for earlier years ₹ (15.22 lacs) primarily due to increase in the profit for fiscal 2021.

Share of profit from associates

Share of profit from our associate Ultra for Medical Products Company (ULTRAMED) Egypt, increased from ₹ 214.07 lacs in fiscal 2020 to ₹ 331.07 lacs in fiscal 2021.

Profit for the Year

For the various reasons discussed above, profit for the year increased from ₹ 9,587.79 lacs in fiscal 2020 to ₹ 13,587.44 lacs in fiscal 2021. This is 16.88% of total revenue as against 13.59% in previous year.

Risks Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted a Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically. Further, the Company, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same has been modified in accordance with the regular requirements.

The Company has robust risk management procedures to identify and evaluate risks on an ongoing basis. Risks are inherent in business activities and to effectively and efficiently mitigate risks, the Company has implemented a framework: -

- Strategic Risks
- Compliance Risks
- Operational Risks
- Reporting obligations and
- Environment, Health and Safety Risks
- IT Governance & Enterprise Risk Management
- Management of Risks relating to Sensitive Information Leakage
- Business Continuity and disaster recovery

The identified risks are integrated into the business plan and a detailed action plan is laid out to mitigate the identified business risks and concerns.

Risk Management Committee

The Board of Directors have constituted a Risk Management Committee in Compliance with SEBI(LODR) Regulations. Following are the Members of the Committee:

1. Mr. Sandeep Bhargava
2. Mr. Himanshu Baid
3. Mr. Rishi Baid

Internal Control System & Adequacy

The Company is conscious of the importance of the internal processes and controls. The Company has a robust business planning & review mechanism and has adequate internal control systems commensurate with the nature of its business and size. These systems are regularly reviewed and improved upon. The Key Management has certified to the Board on matters relating to financial reporting and related disclosures, compliance with relevant statutes, Accounting Standards and adequacy of internal control systems.

The Company has a detailed budgetary control system and actual performance is reviewed periodically and decisions are taken accordingly.

These systems are supported by documented policies and procedures so that all the applicable rules and regulations are complied with; that all transactions are authorized, recorded and reported correctly and adequately and that all the assets of the company are safeguarded and there is no unauthorized use thereof.

Related party transactions

The Company has formulated a Policy on Related Party Transactions and manner of dealing with related party transactions which is available on the Company's website at the link: www.polymedicure.com. All related party transactions entered into during FY 2020-21 were on an arm's length basis and in the ordinary course of business. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2020-21.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the internal audit team. Thereafter, a statement giving details of all related party transactions, entered pursuant to omnibus approval so granted, is placed before the Audit Committee on a quarterly basis for its review.

Details of the transactions with Related Parties during the FY 2020-21 are provided in the accompanying financial statements.

Environment Health and Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. Safety awareness has been enhanced by way of training on hazard identification and risk assessment. Continuous trainingsare provided to all employees. Mock drills on emergency preparedness are conducted regularly.

Opportunity and Future Prospects

India is among the top-20 markets for the medical devices in the world and the 4th largest market for medical devices in Asia. India is importing more than 70% of medical device. The domestic industry has a huge potential to ramp up indigenous manufacturing and invest in R&Dand reduce dependence on imports.

Human Assets

The Company recognises employees as its biggest asset and one of the most important stakeholders for long-term sustenance and growth. The HR policy of the Company is aimed at fostering a conducive and inclusive work culture across all plants and offices. The Company strives to attract, retain and develop the best industry talent and groom them to take on challenging roles across the organisation. Regular skill and personal development programmes are conducted to boost employee morale and productivity. The Company endavors to achieve high employee satisfaction levels and create an environment of fairness, transparency and mutual respect, wherein everyone feels equal and is inspired to deliver best results.

Your Company has a strongly committed and dedicated workforce, which is a key to its sustained success. The Company believes in the strength of its employees as most important asset i.e. Human Resources and realises that the motivation, sense of ownership and satisfaction of its people are the most important drivers for its continued growth.

The Company has in place an Internal Complaints Committee as mandated by the sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act, 2013. Also, the employees are regularly sensitized about matters connected with prevention of sexual harassment.

As on 31 March, 2021, the employee strength of the Company stood at 2,039.

Further, the Company has undertaken following employee engagement program:

- Through quarterly magazine "Seekh" the company highlights all development and training initiatives taken by the company to all its employees.

- The company promotes healthy life style through organizing various events like – Sporting activities at regular intervals, Fitness and Yoga sessions, Mental health improvement activities.

- The Company from time to time engages with families of the employees to create a strong bond between the company and the employees.

Insurance

Risks are a major factor in any business. Every Company requires insurance coverage that is specifically designed to protect its business from liabilities and various other risks. Your Company has many insurance policies from reputed insurance providers that cover major risks that may arise due to the nature of our business. The Company has insurance policies for the fixed and tangible assets also separate policies are for the stock and receivables. As the company has EOU (Export Oriented Unit), the foreign exchange risks are hedged from various financial institutions and banks. Company has the standard fire and special peril insurance policies for all the manufacturing facilities of the Company.

Company caries a product Liability Insurance that covers major risks that may arise due to the nature of the Products. The company carries Marine Cargo Policy to cover Export products.

The Company carries group medical insurance and personal accident policies for the eligible employees. Our Company fulfils all the parameters and precautions which are necessary to cover different risks in the business.

Our Strengths

Your Company has a strong, committed and dedicated workforce, which is a key to its sustained success. The Company believes that motivation, sense of ownership and satisfaction of its people are the most important drivers for its continued growth.

Good governance practices combined with strong leadership has been the inherent strength of the Company. On the manufacturing front, we continue to build our capabilities and strengthen our processes. Through our robust efforts in implementing important initiatives in Quality and Compliance, we now see consistent positive outcomes from regulatory inspections.

Our audit programs and effective internal controls ensure our compliance of all existing rules and regulations.

Competition

The medical device industry is undergoing some major transformation with the latest technological advancements and the continuous influx of manufacturers entering the market. One of the biggest industries in healthcare, the medical device industry thrives on innovation and technology but currently witnesses strong competition in the market.

With continuous innovations and developments, the medical device industry is the backbone of the healthcare delivery across the globe. The medical device manufacturers are widening their horizons by enhancing their product offerings to serve different market segments. Your Company faces competition at domestic and international level. The company continuous to invest in building strong brand across various geographies to maintain leadership in the medical devices industry.

Cautionary Statement
Certain Statements found in the Management Discussion and Analysis Report may constitute 'Forward looking statements', which may include statements relating to future results of operations, financial conditions, business prospects and projects etc., are based on the current assumptions, estimates, expectations about the business, industry and markets in which your Company operates. Actual results might differ substantially or materially from those expressed and implied due to several factors which are beyond the control of the management. This report should be read in conjunction with the financial statements included herein and the notes thereto.

Annexure-8

A. Conservation of Energy

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

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

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

i. Reduction of water consumption, recycling of waste water and rain water harvesting.

ii. Turbo Ventilators installed in place of electric exhaust fans to reduce energy consumption.

iii. Adoption of higher cavitation molds to provide higher production output enabling lower energy consumption per unit of production.

iv. Replacing motorized feeds by gravity feeds to reduce energy consumption.

v. Replacement of all conventional lamps/ lights with LED lamps/lights

vi. Voltage optimization and power factor improvements to reduce energy consumption.

vii. Cycle time reduction in various manufacturing processes through introduction of new technology and Kaizens

viii. Compressed air consumption reduced by conducting regular audits and process improvements.

ix. Improving machine efficiency through continuous improvement in technology.

x. Implementation of Solar panels to generate solar energy.

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

i. Purchasing of power from open access at Faridabad location to get steady power supply resulting in lower use of DG sets

ii. Installation of energy efficient Chillers to reduce energy consumption

iii. Inefficient pumps replaced with new generation energy saving pumps

iv. Inefficient motors replaced with new generation energy saving motors

v. Synchronization of DG panels for optimization of DG sets

vi. Improving production efficiency through Standardization of processes across all plants.

vii. Use of robots in manufacturing process to improve productivity.

The company have installed a new 50 kw capacity Solar power plant with high efficiency modules at Sec-59 Faridabad.

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

The above measures helped in reduction of power, fuel, air and water consumption and made the company more sustainable.

B. Technology Absorption

Efforts made in technology absorption

Research and Development

1. **Specific Area in which R&D carried out by the Company**
During the year, the R&D Centre of the Company was engaged in supporting all the businesses. Following activities were conducted through the R&D Center:

- Development of new design, processes and products based on customer/market requirements.
- Development of new products.
- Carrying out ongoing research
- Research work to reduce plastic consumption for manufacturing of Medical devices and reduce cycle time of molds to make the products more cost effective
- Quality up-gradation of existing medical devices
- Optimization of products and processes to minimize waste generation and reduce safety concerns
- Development of new analytical tools & methods
- Import substitution and identification, testing and validation of new raw materials from indigenous suppliers

2. **Benefits derived as a result of the above R&D**
Some of the benefits derived as a result of Research and Development are as follows:

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

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

- Expansion of R&D team
- Faster Commercialization of new products
- Strengthening the Research Infrastructure and capabilities and partnering with academic institutions
- Development of cost effective and environment friendly processes
- Augmenting R&D capabilities through technological innovation, use of modern scientifictechniques, training and development
- Explore new area of technology for providing cost effective Devices to customers

- Enhance National and International Research networking and strategic alliances.
- Work closely with medical professionals to identify new product areas.

(₹in Lacs)

	Expenditure on Research & Development	Year Ended 31.03.2021	Year Ended 31.03.2020
(a)	Capital	-	-
(b)	Revenue	1,314.45	1,194.24
	Total	**1,314.45**	**1,194.24**
	Total Research and Development Expenditure as percentage of total turnover.	1.63%	1.69%

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

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

ii. Benefits derived as results of the above efforts:

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

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

a)	Technology Imported.	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.	

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 conferences and trade shows, which are helpful in improving the visibility of various products in International markets and widening its customer base.

Foreign Exchange used and earned

	Particulars	**2020-21**	**2019-20**
(a)	Foreign Exchange Used	21,163.78	19,251.58
(b)	Foreign Exchange Earned	48,178.77	42,006.16

REPORT ON CORPORATE GOVERNANCE

A brief statement on the Company's philosophy on Code of Governance

The Company is committed to high standards of corporate governance and believes in compliance with the laws and regulations applicable to the Company in their true spirit. The Company provides in time, correct and complete information as required to all its stakeholders. The Company is constantly interacting with all the stakeholders; its borders are expanding, its environment is changing ever faster and its social responsibilities are growing. The Company firmly believes that good Corporate Governance can be achieved by maintaining transparency in its transactions and by creating robust policies and practices for key processes. To achieve Corporate Governance to the utmost standards, the Company has adopted a comprehensive Corporate Governance policy.

The Company believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and society's expectations.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. The Company recognises that good governance is a continuing exercise and thus reiterates its commitment to pursue highest standard of Corporate Governance in the overall interest of its stakeholders. The fundamental objective of the Company's Corporate Governance is "enhancement of the long-term shareholder value while at the same time protecting the interests of other stakeholders without compromising on compliances of any laws and regulations."

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and hereby presents the following Corporate Governance Report for the Financial Year 2020-21 based on the said requirements.

1. BOARD OF DIRECTORS ("BOARD")

Composition of the Board of Directors

As on 31st March, 2021, the Company has eleven Directors, of which nine are Non-executive Directors including six Independent Directors. The Board has two Women Directors and one of which is an Independent Woman Director. The Composition of the Board is in the conformity with Regulation 17(1) of SEBI (LODR) Regulations, 2015. None of the Directors on the Board is Member of more than ten committees or Chairman of more than five committees across all the companies as on 31st March, 2021 for which confirmations have been obtained from the Directors. Chairmanships/ Memberships of the Board committees include only Audit Committee and Stakeholders' Relationship Committee.

The Company is managed and guided by the Board of Directors. The Board formulates the strategy and regularly reviews the performance of the Company. The Board has been entrusted with the requisite powers, authorities and duties to enable it to discharge its responsibilities and provide effective leadership to the Business.

The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act. The maximum tenure of each Independent Director is in compliance with the Act. Allthe Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

Composition and category of Directors as on 31st March, 2021 is as under:

Shri Devendra Raj Mehta

Shri Devendra Raj Mehta, aged 84 years, is Chairman and a non-executive, Independent Director of our Company. He holds a bachelor's degree in economics and law and is a retired officer of the Indian Administrative Services. Further, he is an alumnus of

MIT Sloan School of Management, Massachusetts Institute of Technology, Boston, USA and the Royal Institute of Public Administration, London, United Kingdom. He has over 50 years of experience in civil services. Prior to joining the Board of the Company, he has held positions including, chairman of SEBI, deputy governor of RBI and Director General of Foreign Trade, Government of India and has held various positions with the Government of Rajasthan and the Government of India. He has been on the Board since May 26, 2005.

Shri Jugal Kishore Baid

Shri Jugal Kishore Baid, aged 79 years, is a non-executive Director of the Company. He holds a bachelor's degree in Science (Mechanical Engineering) from Birla Institute of Technology, Mesra, Ranchi. He has over 52 years of experience in engineering and has undertaken various industrial training programmes with engineering companies. Prior to joining the Board, he was associated with Hyderabad Allwyn Metal Works and Jai Polypan Private Limited. He was involved in setting up the rotational molding technology in Rajasthan for the manufacture of multi layered and foam filled water storage containers under the brand name "Polycon". He has been associated with the Company since its incorporation.

Smt. Mukulika Baid

Smt. Mukulika Baid, aged 71 years, is a non-executive Director of the Company. She holds a bachelor's degree in arts from Jodhpur National University. She has 20 years of experience in management and marketing. She is associated with several non-profit organisations. She has been on the Board since July 30, 2014.

Shri Prakash Chand Surana

Shri Prakash Chand Surana, aged 74 years, is a non-executive, Independent Director of the Company. He is a qualified chartered accountant and is a member of the Institute of Chartered Accountants of India. He has over 46 years of experience in the field of taxation and corporate laws. He has been on the Board since September 22, 1997.

Dr.Shailendra Raj Mehta

Dr. Shailendra Raj Mehta, aged 62 years is a non-executive, Independent Director of the Company. He holds a bachelor's degree and a master's degree in arts from Delhi University, an M.Phil. from Balliol College Oxford and a doctorate of philosophy in economics from Harvard University. He has 31 years of experience in the field of management and economics. His research on simulation resulted in the creation of Hi-tech Company that was granted a patent in the United States. He was responsible for setting up a collaboration between Indian Institute of Management, Ahmedabad and Duke Corporate Education and was a professor of economics and strategy at Purdue University. He was the vice chancellor of Ahmedabad University. He is currently the President, Director and Distinguished Professor for Innovation and Entrepreneurship at MICA (institute), The School of Ideas., Gujarat. He has been on the Board of the Company since May 28, 2012.

Dr. Sandeep Bhargava

Dr. Sandeep Bhargava, aged 53 years, is a Director of our company. He holds a bachelor degree as MBBS and Post Graduation Degree as MD. He wasa Senior Consultant in Gastroenterology, Hepatology and Interventional Endoscopy Indraprastha Apollo Hospitals, New Delhi. He was also Staff Gastroenterologist and Hepatologist, Lourdes Medical Associates, Cherry Hill, USA. He has around 30 years of experience in medical field in India and abroad. He has worked as Clinical Instructor in Medicine and Gastroenterology, at Rhode Island Hospital, USA. He has also worked as Clinical Instructor in Gastroenterology/Hepatology/Liver Transplantation at Columbia University, New York. He has worked as Assistant Professor of Medicine, at Saint Peters University Hospital, USA. Apart from this he is also guest faculty at various medical institutions in India and abroad and writer of various books on medical Sciences. He has been associated with our Company since February 25, 2017.

Shri Amit Khosla

Mr. Amit Khosla, aged 46 years, is a non-executive, Independent Director of the Company. He holds a Bachelor's degree in Economics (with honours) from Delhi University and a Master's degree in Business Administration (MBA) from Kellogg Graduate School of Management, Northwestern University, Illinois, USA. He has around 20 years of experience in financial advisory in India and abroad. With specialisation in financial institutions, Mr. Amit Khosla has worked in global investment banks JP Morgan Chase & Co and Fox-Pitt, Kelton in New York and Hong Kong. His experience in India includes working with CDC/Actis and advising offshore funds for their India investments. He has been associated with our Company since June 5, 2020.

Ms. Sonal Mattoo

Ms. Sonal Mattoo aged 46 years, is a non-executive, Independent Director. She holds a B.A., L.L.B. (Hons.) degree from the National Law School of India University, Bangalore. She has 25 years of experience in compliance relating to workplace harassment and diversity issues. She supports various clients as an independent ombudsperson, handling employee complaints via the internal dispute redressal mechanism and as an independent IC member for the Prevention of sexual harassment at the workplace issues. She has been associated with our Company since August 29, 2020.

Shri Himanshu Baid

Shri Himanshu Baid, aged 52 years, is the Managing Director of the Company. He holds a bachelor's degree in engineering (electronics and communication) from Karnatak University, Dharwad, India. He has over 24 years of experience in manufacturing, sales and marketing of medical devices. He has been associated with the Company since its incorporation.

Shri Rishi Baid

Shri Rishi Baid, aged 48 years, is an Executive Director of the Company. He holds a Bachelor of Science degree in mechanical engineering and a master's degree of science in mechanical engineering from West Virginia University, USA. He has over 24 years of experience in manufacturing, operations and R&D of medical devices. He has been associated with the Company since its incorporation.

Shri Alessandro Balboni

Shri Alessandro Balboni, aged 59 Years, is a Non-Executive, Non-Independent Director of the Company, He is accomplished market driven executive, self-motivated and responsible individual with 20 years of experience in leading healthcare and sales. In his past career Mr. Balboni was Chairman & Chief Executive Officer at Delta Med SPA, Italy. He has a Master's degree from the University of Bologna, Italy.

Number of Board Meetings

The Board has the responsibility to monitor the Company's progress towards its goals and to revise and alter its direction in light of changing circumstances. Board Meetings are scheduled as required under the Listing Regulations and the Companies Act, 2013 and the Rules made thereunder. At every regularly scheduled meeting, the Board reviews recent developments if any, the regulatory compliance position and the proposals for business growth that impact the Company's strategy.

During the financial year ending 31st March 2021, the Board of Directors met six times on 5th June, 2020, 30th July, 2020, 18th September, 2020, 26th October, 2020, 8th December, 2020 and 27th January, 2021. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The names, designation & categories of the Directors on the Board, their attendance at respective Board Meetings held during the year and last Annual General Meeting andtotal number of Shares held by them in the Company are as under:

Details of the Board of Directors

Name of the Directors	Category of Directorship	No. of Board Meetings attended /held	Last AGM Attended	No. of Directorship in other Companies	Name of the Listed Company in which Directorship held alongwith category	Committee Positions*		No. of Shares as on 31st March, 2021
						Member	Chairman	
Shri D.R. Mehta (DIN: 01067895)	Non-Executive Independent Director	6/6	Yes	8	1. GLENMARK PHARMACEUTICALS LIMITED (Independent Director) 2. JAIN IRRIGATION SYSTEMS LIMITED (Independent Director) 3. JMC PROJECTS (INDIA) LIMITED (Chairman, Independent Director)	3	1	NIL

Name of the Directors	Category of Directorship	No. of Board Meetings attended /held	Last AGM Atte-nded	No. of Directo-rship in other Companies	Name of the Listed Company in which Directorship held alongwith category	Committee Positions*		No. of Shares as on 31st March, 2021
						Member	Chairman	
Shri J.K. Baid (DIN: 00077347)	Non-Executive Director	6/6	Yes	1		1	-	22,79,376
Shri P.C. Surana (DIN: 00361485)	Non-Executive Independent Director	6/6	Yes	2		1	2	2,098
Dr. S.R. Mehta (DIN: 02132246)	Non-Executive Independent Director	6/6	Yes	5	1. JMC PROJECTS (INDIA) LIMITED (Independent Director)	3	1	NIL
Dr. Sandeep Bhargava (DIN:07736003)	Non-Executive Independent Director	6/6	Yes	-		1	-	NIL
Mr. Amit Khosla (DIN: 00203571)	Non-Executive Independent Director	5/6	Yes	3		1	-	NIL
Ms. Sonal Mattoo (DIN: 00106795)	Non-Executive Independent Director	4/6	Yes	3		2	2	NIL
Shri Himanshu Baid (DIN: 00014008)	Managing Director	6/6	Yes	8		2	3	79,07,624
Shri Rishi Baid (DIN: 00048585)	Executive Director	6/6	Yes	5		2	-	99,93,048
Smt. Mukulika Baid (DIN:02900103)	Non-Executive Director	6/6	Yes	-		1	-	30,62,400
Shri Alessandro Balboni (08119143) Director	Non-Executive Non Independent	6/6	No	-		-	-	NIL

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

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

Relationship Inter-se

Mr. Himanshu Baid, Managing Director, Mr. Rishi Baid, Joint Managing Director, Mr. Jugal Kishore Baid, Director and Mrs. Mukulika Baid, Director forms part of Promoter group and are related to each other. None of the other Directors are related to each other

Institutionalized Decision-making Process

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

Board Independence

The definition of "Independence of Directors" is derived from Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Directors and on the evaluation of the relationships disclosed, all the independent Directors are qualified as Independent Directors under Section 149(6) of the Companies Act, 2013.

Scheduling and Selection of Agenda Items for Board Meetings

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

The information regularly furnished to the Board of Directors include amongst others the following:

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

Board material distributed in advance

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

Recording minutes of proceedings at Board and committee meetings

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

Compliance

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

Familiarisation programme for Independent Directors

The Board/Committee members are provided with the necessary documents/brochures, reports and internal policies, codes of conduct to enable them to familiarize with the Company's procedure and practices. Directors are regularly updated on performance of the business of the Company, business strategy going forward and new initiative being taken/proposed to be taken by the Company through presentation. Deep Discussion are conducted by the Senior Executives including the Industry/Market (Domestic & International), competition, Company's performance, future outlook. Factory visits are organised as and when desirable/ expedient, for the Directors.

The details of the familiarization programme of the Independent Directors are available on the Company's website at www.Polymedicure.com.

2. **Committees of the Board**

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

Procedure at Committee Meetings

The Board Committees play a crucial role in the governance structure of the Company and are constituted to deal with specific areas/activities which concern the Company and are considered to be performed by members of the Board. The Board supervises the execution of its responsibilities by the committees and is responsible for their action. The minutes of the meetings of all the committees are placed before the Board. The Board committees can request special invitees to join the meeting as appropriate.

The Board of Directors of the Company constituted the following committees in terms of the provisions of Companies Act, 2013 and Listing Regulations:

Committees as mandated under Companies Act, 2013 and Listing Regulations	**Other Committees**
1. Audit Committee	1. Selection Committee
2. Stakeholders' Relationship Committee	2. ESOP Compensation Committee
3. Nomination and Remuneration Committee	3. Allotment Committee
4. Corporate Social Responsibility Committee	

Terms of reference and other details of Board Committees

Audit Committee

i. The audit committee of the Company is constituted in line with the provisions of regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Section 177 of the Act.

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Recommend the appointment, remuneration and terms of appointment of auditors of the Company;

- Approval of payment to statutory auditors for any other services rendered;

- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:

- ➢ Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
- ➢ Changes if any, in accounting policies and practices and reasons for the same
- ➢ Major accounting entries involving estimates based on the exercise of judgment by management
- ➢ Significant adjustments made in the financial statements arising out of audit findings
- ➢ Compliance with listing and other legal requirements relating to financial statements
- ➢ Disclosure of any related party transactions
- ➢ Qualifications/modified opinion(s) in the draft audit report

- Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism.
- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal

control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;

- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Oversee financial reporting controls and process for material subsidiaries;
- Oversee compliance with legal and regulatory requirements including the Polymed Code of Conduct ("PCoC") for the Company and its material subsidiaries;
- To mandatorily review the following information:

➢ Management discussion and analysis of financial condition and results of operations;

➢ Statement of significant related party transactions (as defined by the audit committee),submitted by management;

➢ Management letters / letters of internal control weaknesses, if any, issued by the statutoryauditors;

➢ Internal audit reports relating to internal control weaknesses, if any; and

➢ The appointment, removal and terms of remuneration of the chief internal auditor.

iii. The Audit Committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

iv. The previous annual general meeting (AGM) of the Company was held on September 29, 2020.

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

Name of the Member	Category/ Position	No. of Meetings attended / held	Sitting Fees (₹)
Shri P.C. Surana	Independent Director/ Chairman	3/4	75,000
Dr. S. R. Mehta	Independent Director/ Member	4/4	1,00,000
Shri D. R. Mehta	Independent Director/ Member	4/4	1,00,000
Shri Amit Khosla* Member	Independent Director/	2/4	50,000

*Appointed as member in the Audit Committee on 30th July, 2020 and hence 1st meeting attended as member was on 26th October, 2020

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

5th June, 2020; 30th July, 2020; 26th October, 2020 and 27th January, 2021.

The necessary quorum was present for all the meetings.

Nomination & Remuneration Committee

Composition of the Committee

The Company had a Nomination and Remuneration Committee of directors. The Committee's constitution and terms of reference is in compliance with the provisions of the Act and Regulation 19 and 20 of SEBI (LODR)

Regulations, 2015. The Committee comprises of 3 (three) members of the Board, the details of the member are as follows:

Name of the Member	Category/ Position	No. of Meetings attended / held	Sitting Fees (₹)
Shri. D. R. Mehta	Independent Director / Member	2/2	50,000
Shri P.C. Surana	Independent Director / Member	2/2	50,000
Dr. Sandeep Bhargava	Independent Director / Member	2/2	50,000

During the year, under review, two meetings of Nomination and Remuneration Committee were held on the 5th June, 2020 and 26th October, 2020.

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

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

Remuneration Policy

(i) Managing Director and Executive Director

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

(ii) Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees for attending each meeting of Board of Directors and Committee Meeting thereofand Commission. Each Non-Executive Directors was paid a sum of ₹ 50,000/- by way of sitting fee for attending each meeting of the Board of Directors and a sum of ₹ 25,000/- sitting fee for attending Committees meeting thereof.

Details of the sitting fees, commission and salary paid to all the Directors for the year ended on 31st March, 2021 are given hereunder:

(In ₹ lacs)

Name of the Member	Salary Perqui-sites	Commi-ssion	Sitting Fees	Total
Shri D.R. Mehta	-	9.00	4.75	13.75
Shri J.K. Baid	-	9.00	3.25	12.25
Smt. Mukulika Baid	-	9.00	3.25	12.25
Shri P.C. Surana	-	9.00	4.75	13.75
Dr. S.R. Mehta	-	9.00	4.00	13.00
Dr. Sandeep Bhargava	-	9.00	3.75	12.75
Shri Amit Khosla	-	9.00	4.00	13.00
Ms. Sonal Mattoo	-	9.00	2.00	11.00
Shri Himanshu Baid	438.94*	478.00	-	916.94
Shri Rishi Baid	418.02*	478.00	-	896.02

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

INDEPENDENT DIRECTOR MEETING

During the year under review, the independent Directors met on 5th June, 2020, inter-alia to discuss:

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

Stakeholders Relationship Committee
Composition of Committee

The Company had a Shareholders / Investors Grievance Committee of directors to look into the redressal of Complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to Stakeholders' Relationship Committee in the light of provisions of the Act and Regulation 19 and 20 of SEBI (LODR) Regulations, 2015.

Name of the Member	Category/ Position	No. of Meetings attended / held	Sitting Fees (₹)
Shri P. C. Surana	Independent Director / Chairman	1/1	25,000
Shri Himanshu Baid	Managing Director / Member	1/1	Nil
Shri Rishi Baid	Joint Managing Director / Member	1/1	Nil

Mr. Avinash Chandra, Company Secretary, acting as a compliance officer of the Company. During the year, under review, a meeting of Stakeholders Relationship Committee was held on the 30th July, 2020.

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

- Overseeing and review all matters connected with the transfer of the Company's Securities.
- Approve issue of the Company's duplicate share certificates.
- Monitor redressal of investor's/Shareholder's/ Security holders' grievances.
- Oversee the performance of the Company's Registrar and Transfer Agents.
- Recommend methods to upgrade the standard of service to investors.
- Monitor implementation of the Company's code of conduct for prohibition of Insider Trading.

Carry out any other functions as is referred by the Board from time to time or enforced by any statutory modification as may be applicable.

Details of Investor Complaints received and redressed during the year 2020-21 are as follows:

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

No complaint was outstanding as on 31st March, 2021.

Corporate Social Responsibility Committee

Composition of Committee

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

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

During the year, under review, a meeting of Corporate Social Responsibility Committee was held on the 5th June, 2020.

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

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) policy indicating initiatives to be undertaken by the Company in compliance with provisions of Companies Act, 2013 and rules there made under.
- To recommend the amount of expenditure to be incurred on the CSR initiatives.
- To monitor the implementation of the framework of the CSR policy.
- To approve the Corporate Social Responsibility Report and oversee the implementation of sustainability activities.
- To observe Corporate Governance Practices at all levels and to suggest remedial measures wherever necessary.

3. **General Body Meetings**

Annual General Meetings conducted during the last three years viz. FY 2017-18, FY 2018-19 and FY 2019-20 are as follows:

Meeting	Date and Time	Venue
23rd AGM	Wednesday, 26 September, 2018 at 10:00 a.m.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi, 110016.
24th AGM	Monday, 23 September, 2019 at 10:00 a.m.	
25th AGM	Tuesday, 29 September, 2020 at 10:00 a.m.	Video Confrencing ("VC") or Other Audio Visual Means ("OAVM)

Special resolution passed in last three AGM:

23rd AGM held on 26th September, 2018

- To enter into a Job work Contract with M/s. Vitromed Healthcare, Jaipur.

24th AGM held on 23rd September, 2019

- To appoint Shri Devendra Raj Mehta as an Independent Director upto the conclusion of 29th Annual General Meeting of the Company.
- To appoint Shri Prakash Chand Surana as an Independent Director upto the conclusion of 29th Annual General Meeting of the Company.
- To appoint Dr. Shailendra Raj Mehta as an Independent Director upto the conclusion of 29th Annual General Meeting of the Company.
- To appoint Dr. Sandeep Bhargava as an Independent Director upto the conclusion of 29th Annual General Meeting of the Company.
- To re-appoint Shri Himanshu Baid, (DIN: 00014008) as Managing Director for a period of 5 (Five) years with effect from 01st August, 2019.
- To re-appoint Shri Rishi Baid, (DIN: 00048585) as Joint Managing Director for a period of 5 (Five) years with effect from 01st August, 2019.
- To approve payment of remuneration to Non-Executive Directors.

25th AGM held on 29th September, 2020
Approval for Poly Medicure Employee Stock Option Scheme-2020 for the employees of the Company.

Special resolutions passed during the year 2020-21 through postal ballot

Resolution passed through postal ballot
During the financial year ended March 31, 2021, the Company has passed Special Resolutions through postal ballot process (including e-voting) as prescribed under Sections 108 & 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the Companies (Management and Administration) Amendment Rules, 2015, and other applicable provisions, if any of the Companies Act, 2013.

The Company has appointed Mr. Pawan Kumar Mishra of M/s P.K Mishra & Associates, Practicing Company Secretary (M. No. 4305, C.P No. 16222) as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner. The voting period for e-voting and postal ballot was commenced on Tuesday, 15th December, 2020 at 09.00 A.M. and ends on Wednesday 13th January, 2021 at 5.00 P.M. and the CDSL e-voting platform were blocked thereafter. The last date of the receipt of Postal Ballot Forms by the Scrutinizer was 13.01.2021. The result of the Postal Ballot (including e-voting) was announced on 14.01.2021. The Resolutions were approved and passed by the members of the Company with requisite majority.

The details of the Postal Ballot (including e-voting) Results are as under:

Particulars	Type of resolution (Ordinary/ Special)	For the resolution			Against the resolution		
		No. of Voters	No. of votes	% of total valid votes cast	No. of Voters	No. of votes	% of total valid votes cast
Approval for raising of funds by issuance of equity shares through Qualified Institutions Placement	Special	159	71180232	99.997%	6	688	0.003%

4. **Disclosures**

a) **Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.**
All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course ofbusiness and was complied with provision of section 188 of the Companies Act, 2013. Thus disclosure in form AOC-2 is also provided. Further there are no material related party transactions during the year under review with the promoters, Directors orKey Managerial personnel. The details of the Related Party transactions during the year are given in the notes forming part of thefinancial statements.

b) **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.**
National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) have issued a notice(s) on 20.08.2020 with respect to non-compliance with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 towards appointment of Independent Woman Director and accordingly imposed a fine aggregating to ₹ 8,85,000/- each.

However, the Company has already appointed Independent Woman Director w.e.f. 29.08.2020 and also submitted its representations to the respective Stock Exchanges against the said Notice(s) stating the reasons thereof in details and requested the stock exchange(s) to waive off the same.

c) Whistle Bowler Policy/Vigil Mechanism

Pursuant to Section 177(9) and (10), of the Companies Act, 2013, and Regulation 22 of the Listing Regulation, the Company has formulated whistle Bowler policy for vigil Mechanism of Directors and employee to report to the management about the unethical behavior, fraud or violation of Company's code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson ofthe Audit committee in exceptional cases. The whistle blower Policy is displayed on the Company's Website viz, www.polymedicure.com.

d) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred in Section 133 of theCompanies Act, 2013.

e) Risk Management

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

f) Management Discussion & Analysis Report

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

g) Code of Conduct and Corporate ethics

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

Some of our policies are:

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

h) CEO/CFO Certification

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

i) Disclosure of Compliance

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

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

The Company has complied with all the mandatory requirements under the Listing Agreement and SEBI (LODR) Regulations, 2015.

K) A certificate from Practicing Company Secretary (PCS) regarding declaration for Directors not debarred or disqualified from being appointed

A certificate has been received from M/s. P.K. Mishra & Company, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

l) The detail of the policy for determining "material" subsidiaries is available on the Company's website at www.Polymedicure.com.

m) The detail of the policy on dealing with related party transaction is available on the Company's website at www.Polymedicure.com.

5. Means of Communication

In accordance with Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has maintained a functional website at www.polymedicure.com basic corporate information about the Company viz. details of its Business, Financial Information, Shareholding Pattern, compliance with code of conduct etc. The contents of the said website are updated from time to time. The quarterly, half yearly and Annual Results are published in "Financial Express" (English) and "Jansatta" (Hindi), newspapers and also displayed on the Company's website for the benefit of the public at large.

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

Audit Fees

The same has been mentioned in note no. 32 of Standalone Financial Statement.

Commodity Price Risk or Foreign Exchange Risk and hedging Activities

Commodity Price Risk and Commodity Hedging Activities

The Company does not have any exposure hedged through commodity derivatives. In compliance with Regulation 34(3) read with clause 9(n) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

A: - Total exposure of the listed entity to commodities in ₹ - NIL

B: - Exposure of the listed entity to various

Commodity Name	Exposure in ₹towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
NIL							

7. General Shareholders Information:

Annual General Meeting Day, Date and Time & Venue	Friday, 24th Day of September, 2021 at 10 a.m. (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")
CIN No.	L40300DL1995PLC066923
Financial Year	1st April, 2020 to 31st March, 2021
Date of Book Closure	18th September, 2021 to 24th September, 2021 (both days inclusive)
Listing of Equity Shares on Stock Exchange(s)	BSE Limited (BSE):- P. J. Towers, Dalal Street, Mumbai 400 001. National Stock Exchange of India Limited: - Exchange Plaza, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East) Mumbai-400051
Stock Code	BSE Code: POLYMED, Scrip Code: 531768 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 D-MAT mode. Under the depository system the International Security Identification Number (ISIN) allotted to the Company. Respective ISIN is INE205C01021.
Plants Locations	**Unit-I** Plot No. 104-105, Sector -59, HSIIDC Industrial Area, Ballabhgarh, Faridabad-121004 (Haryana) India.
	Unit-II (100% EOU) Plot No. 115-116, Sector-59, HSIIDC Industrial Area, Ballabhgarh, Faridabad-121004 (Haryana) India.
	Unit III Plot No. 17, Sector-3, I.I.E SIDCUL Haridwar-249403, (Uttarakhand), India
	Unit IV (SEZ) Plot No. PA-010, P.O., Mahindra World City (Jaipur) Ltd., SEZ, Tehsil, Sanganer, Jaipur-302037 (Rajasthan), India.
	Unit V Plot No. 34, Sector-68, IMT, Faridabad-121004, (Haryana), India.
Address for Shareholders' correspondence	**Registrar and Transfer Agent** **Shri Sharwan Mangla** M/s. Mas Services Ltd. T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 Phone No. 011-26387281, 26387282 Fax No. 011- 26387384 E-mail: mas_serv@yahoo.com, Website: www.masserve.com
	Registered Office of the Company **The Company Secretary** M/s Poly Medicure Limited 232-B, IIIrd Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020 Phone No. 011-26321838 Fax No. 011-26321894 Email: investorcare@polymedicure.com Website: www.polymedicure.com

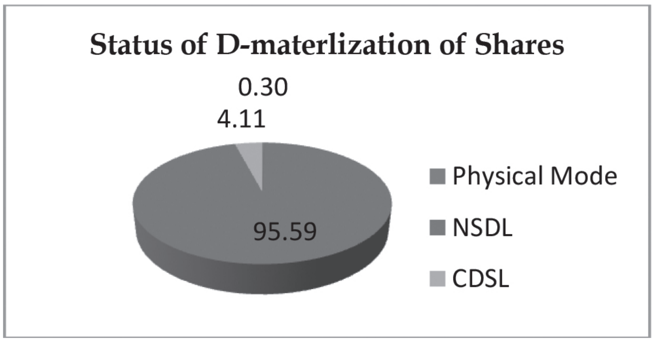
Physical Share Transfer System

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

Dematerialization of Shares

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with provisions of Depositories Act, 1996 with National Securities Depository Services (India) Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both the Depositories for the benefit of the Shareholders. The status of Dematerialization of the Company's Shares as on 31st March, 2021 is as under:

Mode	No. of Shares	%age (Percentage)
Physical Mode	2,92,460	0.30
NSDL	9,16,50,208	95.59
CDSL	39,37,899	4.11
Total	**9,58,80,567**	**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, SenapatiBapat Marg, Lower Parel, Mumbai 400013. Telephone: 91-22-24994200, E-mail- info@nsdl.co.in, Website: www.nsdl.co.in	P. J. Towers, 17th Floor, Dalal Street, Fort, Mumbai-400001, Telephone 91-22-22723333, E-mail: investor@cdslindia.com, Website: www.cdslindia.com.

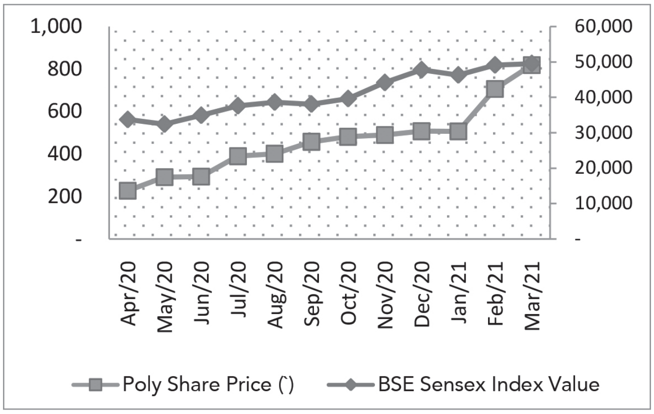
Listed on Stock Exchange(s)

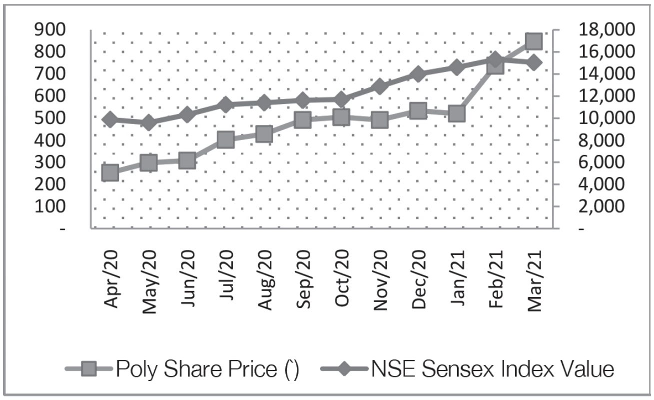
Name of the Stock Exchange(s)	Stock Code
BSE Limited	531768
National Stock Exchange of India Limited	POLYMED

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

Month	BSE (In ₹)		NSE (In ₹)	
	High Price	Low Price	High Price	Low Prices
Apr-20	264.00	213.05	264.00	207.00
May-20	303.00	207.20	303.20	207.00
Jun-20	323.80	271.35	324.00	270.95
Jul-20	431.85	290.00	432.15	290.00
Aug-20	456.90	367.45	456.20	365.00
Sep-20	519.00	383.00	519.30	382.45
Oct-20	542.75	458.05	542.75	457.55
Nov-20	505.25	470.00	508.95	471.00
Dec-20	554.40	449.20	558.80	480.00
Jan-21	554.30	485.00	554.40	485.00
Feb-21	751.95	488.00	749.75	487.80
Mar-21	913.00	689.00	917.50	688.40

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





Distribution of Shareholding of Poly Medicure Limited as on 31st March, 2021

Nominal value of each Share ₹ 5 each.

No of share holders	% to Total	Shareholding of nominal value of (in ₹)	No of Shares	% to Total
20527	95.337	1 to 5000	1825615	1.904
395	1.835	5001 to 10000	584021	0.609
228	1.059	10001 to 20000	655407	0.684
112	0.520	20001 to 30000	558142	0.582
70	0.325	30001 to 40000	519201	0.542
36	0.167	40001 to 50000	326579	0.341
63	0.293	50001 to 100000	923024	0.963
100	0.464	100001 and above	90488578	94.376
21,531	**100.00**	**Total**	**9,58,80,567**	**100.00**

Particulars	No.	No. of shares	% age
(A) Shareholding of Promoter and Promoter group			
1. Indian	17	4,28,01,352	44.64
2. Foreign	2	2,27,200	0.24
Total Shareholdings of Promoter and Promoter Group	**19**	**4,30,28,552**	**44.88**
(B) Public Shareholding			
1. Institution	51	1,45,01,671	15.12
2. Non Institution	21,461	3,83,50,344	40.00
Total Public Shareholding	**21,512**	**5,28,52,015**	**55.12**
(C) Shares held by custodian and against which Depository Receipts have been issued			
1. Promoter and Promoter Group	0	0	0
2. Public	0	0	0
Total (A)+(B)+(C)	**21,531**	**9,58,80,567**	**100**

Unclaimed Dividend on Equity Shares

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

Review of Legal / Statutory Compliances Report

The Board periodically reviews Statutory/Legal Compliance Reports with respect to the various laws applicable to the Company.

Code for Prevention of Insider Trading Practices

The Company has instituted a comprehensive code for prevention of Insider Trading, for its Directors and Designated Employees, in compliance with Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

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

Risk Management Policy

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

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

Subsidiary Companies

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

Non Mandatory Clauses

The Company has not adopted any of the non-mandatory requirements as in SEBI(LODR) Regulations, 2015.

Code of Conduct by CEO

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

As provided under regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 all the Board members and Senior Management Personnel have affirmed compliance to the Code of Conduct of the Company for the period from 1st April, 2020 to 31st March, 2021. The declaration received from Shri HimanshuBaid, Managing Director, in this regard is also given in this report.

As provided under regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 all the Board members and Senior Management Personnel have affirmed compliance to the Code of Conduct of the Company for the period from 1st April, 2020 to 31st March, 2021. The declaration received from Shri Himanshu Baid, Managing Director, in this regard is also given in this report.

New Delhi	D. R. Mehta	Himanshu Baid
29th July, 2021	Chairman	Managing Director

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

To
The Board of Directors
Poly Medicure Limited

1. We have reviewed the financial statements and the cash flow statement of Poly Medicure Limited for the year ended 31st March, 2021 and to the best of our knowledge and belief:-

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

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

2. There are to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2021, which are fraudulent, illegal or violate the Company's code of Conduct.

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

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

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

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

(ii) that there are no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

(iii) that there are no instances of significant fraud of which we have become aware involving management or any employee having a significant role in the Company's internal control system.

New Delhi	HImanshu Baid	Naresh Vijayvergiye
29th July, 2021	Managing Director	CFO

Declaration by Chief Executive Officer

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

New Delhi	HImanshu Baid
29th July, 2021	CEO/Managing Director

Certificate on Corporate Governance

To
The Members of Poly Medicure Limited

I have examined the compliance of the conditions of Corporate Governance by Poly Medicure Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, and the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

For P.K. Mishra & Associates
Company Secretaries

Pawan Kumar Mishra
Proprietor
Membership No. FCS-4305/C.P. No. 16222

Place: New Delhi
Date: 12th August, 2021

Independent Auditor's Report

TO THE MEMBERS OF POLY MEDICURE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of POLY MEDICURE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, as for the year ended March 31, 2021 the other information has not yet been prepared and not yet approved by Board of Directors.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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

    e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M C Bhandari & Co.**
Chartered Accountants
Firm's registration number: 303002E

Rabindra Bhandari
Partner
Membership number: 97466
UDIN: 21097466AAAABP5326

Place: New Delhi
Date: 24th May 2021

Annexure - A

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

We have audited the internal financial controls over financial reporting of Poly Medicure Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M C Bhandari & Co.**
Chartered Accountants
Firm's registration number: 303002E

Rabindra Bhandari
Partner
Membership number: 97466
UDIN: 21097466AAAABP5326

Place: New Delhi
Date: 24th May 2021

Annexure - B

to the Auditors' Report the Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2021, we report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of conveyance deed / registered sale deeds provided to us, we report that, the title deeds, comprising all immovable properties of land and building which are freehold, are held in the name of the Company as at the balance sheet date other than four investment property (WDV: ₹ 270.53 lacs) for which conveyance deed is pending for execution. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the Standalone Financial Statements, the lease agreements are in the name of the Company.

(ii) According to the information and explanation given to us and on the basis of our examination of the records of the company, physical verification of the inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in nature have been properly dealt with in the books of accounts.

(iii) According to the information and explanation given to us and on the basis of our examination of the records of the company, physical verification of the inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in nature have been properly dealt with in the books of accounts.

(iii) According to the information and explanation given to us, during the year the company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted during the year in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (i) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained, however, we have not made a detailed examination of such cost records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, duty of customs, Cess, Goods & Service Tax (GST) and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income tax, duty of customs, Cess, Goods & Service Tax (GST) and other material statutory dues were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, duty of custom, or duty of excise, or value added tax, Cess or Goods & Service Tax (GST) which have not been deposited with the appropriate authorities on account of any dispute.

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

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us, term loans raised during the year were applied for the purpose for which those were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the company has issued 763,3587 equity shares of ₹ 5 each at a premium of ₹ 519 per share to qualified institutional investors on QIP basis in respect of which, the requirements of section 42 of the Companies Act 2013 and the rules framed thereunder have been complied with. The funds raised from such QIP placement have been partly utilized for the purpose for which it was raised and the balance proceeds have temporarily been kept in fixed deposits with banks and also in liquid mutual funds pending utilization as per the objects of the issue.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **M C Bhandari & Co.**
Chartered Accountants
Firm's registration number: 303002E

Rabindra Bhandari
Partner
Membership number: 97466
UDIN: 21097466AAAABP5326

Place: New Delhi
Date: 24th May 2021

Poly Medicure Limited

Standalone Balance Sheet as at 31 March 2021

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	36,723.76	30,657.30
(b) Capital work-in-progress		1,474.29	1,669.64
(c) Right of Use Asset	2	216.58	309.40
(d) Investment Properties	3	452.82	345.91
(e) Intangible assets	2	1,556.17	1,449.50
(f) Intangible assets under development		643.34	788.44
(g) Financial Assets			
(i) Investment in subsidiaries/associates	4	3,979.85	3,979.85
(ii) Other Investments	5	-	222.99
(iii) Other financial assets	7	5,348.07	3,497.31
(h) Other non-current assets	8	810.94	1,744.32
Total non-current assets		**51,205.82**	**44,664.66**
2 Current assets			
(a) Inventories	9	10,938.27	10,096.42
(b) Financial assets			
(i) Investments	5	34,501.25	1,592.21
(ii) Trade receivables	10	14,955.37	12,044.80
(iii) Cash and cash equivalents	11	279.47	189.46
(iv) Bank balances other than (iii) above	12	2,460.87	2,049.78
(v) Loans	6	33.30	13.71
(vi) Other financial assets	7	330.24	372.81
(c) Other current assets	8	4,036.60	2,971.51
Total current assets		**67,535.37**	**29,330.70**
TOTAL ASSETS		**1,18,741.19**	**73,995.36**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	4,794.03	4,412.35
(b) Other equity	14	90,606.91	38,516.08
Total equity		**95,400.94**	**42,928.43**

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	5,973.95	11,057.41
(ii) Lease Liabilities		196.63	328.32
(iii) Other financial liabilities	16	87.56	103.35
(b) Provisions	17	230.98	291.07
(c) Government Grants		347.29	220.47
(d) Deferred tax liabilities (Net)	18	1,304.45	1,448.92
Total non-current liabilities		**8,140.86**	**13,449.54**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,091.97	4,432.75
(ii) Lease Liabilities		132.35	104.02
(iii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		1,047.72	861.95
b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,562.54	5,185.71
(iv) Other financial liabilities	21	5,211.40	5,423.04
(b) Other current liabilities	22	1,052.91	1,493.05
(c) Provisions	17	44.27	41.97
(d) Current tax liabilities (net)	23	56.23	74.90
Total current liabilities		**15,199.39**	**17,617.39**
TOTAL EQUITY AND LIABILITIES		**1,18,741.19**	**73,995.36**
Significant accounting policies	a-ab		
The accompanying notes are integral part of the Standalone financial statements.	1 - 49		

As per our Auditor's report of even date annexed
For M C Bhandari & Co. (Reg No.303002E)
Chartered Accountants

For and on behalf of the Board of Directors

Rabindra Bhandari Partner Membership No. 097466	Himanshu Baid Managing Director DIN: 00014008	Rishi Baid Joint Managing Director DIN: 00048585
Place : New Delhi Date : 24.05.2021	J.K.Oswal CFO	Avinash Chandra Company Secretary

POLYMED MEDICAL DEVICES
We Care As We Cure

Poly Medicure Limited

Standalone Statement of Profit and Loss for the year ended 31 March, 2021

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
INCOME			
Revenue from operations	24	74,738.24	64,616.24
Other income	25	1,928.82	1,858.38
Total Revenue		**76,667.06**	**66,474.62**
EXPENSES			
Cost of materials consumed	26	24,591.04	20,701.20
Purchases of Stock-in-Trade		308.32	70.55
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(223.53)	(777.32)
Employee benefits expense	28	13,074.22	12,734.15
Research and development expenses	29	1,314.18	1,154.77
Finance cost	30	791.17	1,765.51
Depreciation and amortization expense	31	4,631.42	3,928.43
Other expenses	32	14,841.92	14,719.00
Total Expenses		**59,328.74**	**54,296.29**
Profit before tax		**17,338.32**	**12,178.33**
Tax expenses:			
(1) Current tax		4,410.71	3,272.79
(2) Deferred tax		(8.34)	(384.10)
(3) Tax adjustment for earlier years (net)		(15.22)	51.36
Total tax expenses	**33**	**4,387.15**	**2,940.05**
Profit after tax		**12,951.17**	**9,238.28**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Actuarial gains/(losses) of defined benefit plan		13.98	38.19
Tax impacts on above		(3.52)	(9.61)
Other comprehensive income for the year (net of tax)		**10.46**	**28.58**
Total comprehensive income (Comprising profit after tax and other comprehensive income/(loss) for the year)		**12,961.63**	**9,266.86**
Earnings per equity share: (Face value ₹ 5 each) in rupees	40		
Basic		14.54	10.47
Diluted		14.53	10.46
Significant accounting policies	a-ab		
The accompanying notes are integral part of the standalone financial statements	1 - 49		

As per our Auditor's report of even date annexed
For M C Bhandari & Co. (Reg No.303002E)
Chartered Accountants

For and on behalf of the Board of Directors

Rabindra Bhandari Partner Membership No. 097466	Himanshu Baid Managing Director DIN: 00014008	Rishi Baid Joint Managing Director DIN: 00048585
Place : New Delhi Date : 24.05.2021	J.K.Oswal CFO	Avinash Chandra Company Secretary

Poly Medicure Limited

Standalone Statement of Cash Flow for the year ended 31 March 2021

(₹ in Lacs)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax and exceptional items	17,338.32	12,178.33
	Adjusted for:		
	Depreciation and amortisation	4,631.42	3,928.43
	Share in Income of Associates		
	Interest expense	791.17	1,765.51
	Dividend/ Governing Council Share	(79.40)	(45.46)
	Interest income	(308.33)	(483.13)
	Loss/(profit) on sale of fixed assets, net	(0.72)	(13.04)
	Debts/advances written off	17.99	30.73
	Provision for doubtful debts and advances	24.46	29.34
	Credit balances no longer required, written back	(1.67)	(53.79)
	Deferred employee compensation expenses (net)	64.73	13.89
	Unrealised foreign exchange (gain) /loss	10.29	(407.66)
	Other Comprehensive Income	13.98	38.19
	Ind AS Adjustment for Unrealised Gain on Mutual Fund	(351.36)	(64.40)
	Ind AS Adjustment on Govt. Grant & Subsidy	(109.41)	(64.65)
	Ind AS Adjustment for Interest Income on Financial Assets	(28.16)	(3.82)
	Ind AS Adjustment on Forward Contracts (Net)	(215.76)	334.68
	Ind AS Adjustment for Deferred Processing fees	31.17	27.68
	Ind AS Adjustment for Interest on Security Deposit against Rent	3.88	3.88
	Operating profit before working capital changes	**21,832.60**	**17,214.71**
	Movement in working capital		
	Decrease/(increase) in inventories	(841.85)	(2,684.71)
	Decrease/ (increase) in sundry debtors	(3,353.67)	832.63
	Decrease/(Increase) in financial assets	153.03	(401.35)
	Decrease/(Increase) in other assets	(1,046.23)	(547.93)
	Increase/ (decrease) in trade payables	(250.74)	1,026.01
	Increase/ (decrease) in other financial liabilities	54.98	(60.63)
	Increase/ (decrease) in other liabilities	(436.52)	819.82
	Increase/ (decrease) in provisions	(57.79)	50.30
	Cash generated from operations	**16,053.80**	**16,248.85**
	Direct taxes paid (net of refunds)	(4,414.16)	(3,558.35)
	Net cash from operating activities	**11,639.64**	**12,690.50**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(9,395.22)	(10,441.49)
	Purchase of Investments (net)	(32,334.69)	(1,500.99)
	Proceeds from / (Investment in) Fixed Deposits (net)	(2,108.16)	818.25
	Proceeds from sale of fixed assets	61.44	34.04
	Dividend/Governing share received	59.79	37.78
	Interest income	275.67	485.41
	Net cash used for investing activities	**(43,441.17)**	**(10,567.00)**

(₹ in Lacs)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from (Repayment) of borrowings / deferred payment liabilities (net)	(6,520.48)	3,096.04
	Proceeds from Share Allotments	40,000.00	5.03
	Share issue expenses adjusted against securities premium (net off GST of ₹ 105.59 lacs)	(693.50)	-
	Repayment of Lease Liabilities and Interest thereon	(114.00)	(136.11)
	Dividend and tax thereon Paid	-	(4,247.46)
	Interest / Finance charges paid	(780.48)	(942.68)
	Net cash from (used for) financing activities	**31,891.54**	**(2,225.18)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	90.01	(101.68)
	Cash and cash equivalents at the beginning of the year	189.46	291.14
	Cash and cash equivalents at the end of the year	**279.47**	**189.46**
	COMPONENTS OF CASH AND CASH EQUIVALENTS		
	Balances with Banks in current account	266.66	113.79
	Cash on hand (including foreign currency notes)	12.81	18.29
	Fixed deposits with banks, having original maturity of three months or less	-	57.38
	Cash and cash equivalents at the end of the year	**279.47**	**189.46**

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES	Year Ended 31 March 2021	Year Ended 31 March 2020
Cash and cash equivalents at the end of the year as per above	**279.47**	**189.46**
Add: Balance with banks in dividend / unclaimed dividend accounts	30.82	30.55
Add: Fixed deposits with banks, having maturity period for less than twelve months	2,430.05	2,019.23
Add: Fixed deposits with banks (lien marked)	697.03	1,553.05
Add: Fixed deposits with banks, having maturity period for more than twelve months	4,145.50	1,592.41
Cash and bank balances as per balance sheet (refer note 7, 11 and 12)	**7,582.87**	**5,384.70**

DISCLOSURE AS REQUIRED BY IND AS 7

Reconciliation of liabilities arising from financing activities

31 March, 2021	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	7,903.68	(1,488.05)	(119.83)	6,295.80
Long term secured borrowing	11,057.41	(5,032.43)	(51.03)	5,973.95
Total liabilities from financing activities	**18,961.09**	**(6,520.48)**	**(170.86)**	**12,269.75**

March 31, 2020	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	**5,899.27**	1,741.39	263.02	**7,903.68**
Long term secured borrowing	**9,137.97**	1,354.65	564.79	**11,057.41**
Total liabilities from financing activities	**15,037.24**	**3,096.04**	**827.81**	**18,961.09**

Notes: This is the Cash Flow Statement referred to in our report of even date.
The above Standalone cash Flow statement should be read in conjunction with the accompanying notes

As per our Auditor's report of even date annexed
For M C Bhandari & Co. (Reg No.303002E)
Chartered Accountants

For and on behalf of the Board of Directors

Rabindra Bhandari
Partner
Membership No. 097466

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

Place : New Delhi
Date : 24.05.2021

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March 2021

A. Equity share capital

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	4,412.35	4,411.85
Changes in equity share capital during the year	381.68	0.50
At the end of the year	**4,794.03**	**4,412.35**

B. Other equity

(₹ in Lacs)

Particulars	Reserves and surplus					Other comprehensive income	Total
	Capital Reserve	Securities Premium	Share Based Payment Reserve Account	General Reserve	Retained Earnings	Re-measurement of defined benefit plan	
Balance as at 1 April 2019	**46.98**	**34.67**	**30.15**	**16,134.83**	**17,304.28**	**15.23**	**33,566.14**
Transitional impact upon initial adoption of Ind AS 116					(79.86)		(79.86)
Restated Balance as at 1 April 2019	**46.98**	**34.67**	**30.15**	**16,134.83**	**17,224.42**	**15.23**	**33,486.28**
Profit for the year					9,238.28		9,238.28
Securities Premium received during the year		34.68					34.68
Other comprehensive income (net of taxes)						28.58	28.58
Transfer from retained earnings to General reserve				2,500.00	(2,500.00)		-
Addition/(deduction) during the year (Net of Lapses)			(16.26)				(16.26)
Final Dividend / Dividend tax adjusted					(4,255.46)		(4,255.46)
Balance as at 31 March 2020	**46.98**	**69.35**	**13.89**	**18,634.83**	**19,707.24**	**43.81**	**38,516.08**
Balance as at 1 April 2020	**46.98**	**69.35**	**13.89**	**18,634.83**	**19,707.24**	**43.81**	**38,516.08**
Profit for the year					12,951.17		12,951.17
Securities Premium received during the year (net of share issue expenses adjusted)		39,064.45					39,064.45
Other comprehensive income (net of taxes)						10.46	10.46
Transfer from retained earnings to General reserve				2,500.00	(2,500.00)		-
Addition/(deduction) during the year (Net of Lapses)			64.74				64.74
Balance as at 31 March 2021	**46.98**	**39,133.80**	**78.63**	**21,134.83**	**30,158.41**	**54.27**	**90,606.91**

Note:

General Reserve has been created by transfer out of profit generated by the company and is available for distribution to shareholders.

Notes on Standalone Financial Statement for the year ended on 31st March, 2021

2 PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total Tangible	Software	Patent & Trade Marks	Total Intangible	Net Assets
Gross Carrying Value as on 01.04.2019	**1,590.74**	**862.18**	**5,781.66**	**33,591.16**	**462.43**	**704.64**	**900.91**	**43,893.72**	**821.19**	**1,375.26**	**2,196.45**	**46,090.17**
Additions during the year	1,448.50	-	1,061.86	6,013.76	43.61	115.87	148.73	8,832.34	11.74	280.28	292.02	9,124.37
Deductions/Adjustments	-	-	-	358.64	-	34.68	73.77	467.09	16.66	-	16.66	483.75
Gross Carrying Value as on 31.03.2020	**3,039.24**	**862.18**	**6,843.52**	**39,246.28**	**506.04**	**785.83**	**975.87**	**52,258.97**	**816.27**	**1,655.54**	**2,471.81**	**54,730.78**
Accumulated Depreciation as on 01.04.2019	**-**	**59.77**	**1,053.56**	**16,166.39**	**260.40**	**474.61**	**372.43**	**18,387.16**	**368.92**	**480.09**	**849.01**	**19,236.17**
Depreciation for the year	-	9.28	206.29	3,176.52	38.25	94.44	114.89	3,639.67	69.27	120.52	189.79	3,829.46
Deductions/Adjustments				328.87		34.28	62.01	425.16	16.49		16.49	441.65
Accumulated Depreciation as on 31.03.2020	**-**	**69.05**	**1,259.85**	**19,014.04**	**298.65**	**534.77**	**425.31**	**21,601.67**	**421.70**	**600.61**	**1,022.31**	**22,623.98**
Carrying Value as on 31.03.2020	**3,039.24**	**793.13**	**5,583.67**	**20,232.24**	**207.39**	**251.06**	**550.55**	**30,657.30**	**394.57**	**1,054.93**	**1,449.50**	**32,106.80**
Gross Carrying Value as on 01.04.2020	**3,039.24**	**862.18**	**6,843.52**	**39,246.28**	**506.04**	**785.83**	**975.87**	**52,258.97**	**816.27**	**1,655.54**	**2,471.81**	**54,730.78**
Additions during the period	1,068.37	-	1,391.44	7,823.91	34.95	83.99	28.56	10,431.22	8.62	324.55	333.17	10,764.39
Deductions/Adjustments	-	-	-	140.89	-	47.83	37.46	226.18	50.52	-	50.52	276.70
Gross Carrying Value as on 31.03.2021	**4,107.61**	**862.18**	**8,234.96**	**46,929.30**	**540.99**	**821.99**	**966.97**	**62,464.01**	**774.37**	**1,980.09**	**2,754.46**	**65,218.47**
Accumulated Depreciation as on 01.04.2020	**-**	**69.05**	**1,259.85**	**19,014.04**	**298.65**	**534.77**	**425.31**	**21,601.67**	**421.70**	**600.61**	**1,022.31**	**22,623.98**
Depreciation for the period	-	9.28	241.10	3,801.33	38.77	100.26	113.79	4,304.53	71.89	154.13	226.02	4,530.55
Deductions/Adjustments				94.83		44.57	26.55	165.95	50.05		50.05	216.00
Accumulated Depreciation as on 31.03.2021	**-**	**78.33**	**1,500.95**	**22,720.54**	**337.42**	**590.46**	**512.55**	**25,740.25**	**443.54**	**754.74**	**1,198.28**	**26,938.53**
Carrying Value as on 31.03.2021	**4,107.61**	**783.85**	**6,734.01**	**24,208.76**	**203.57**	**231.53**	**454.42**	**36,723.76**	**330.82**	**1,225.35**	**1,556.17**	**38,279.93**

2.1 Borrowing cost of ₹ 4.15 lacs (previous year ₹ 5.97 lacs) have been included in additions to Fixed Assets.

2.2 The estimated amortisation in intangible assets for the period subsequent to 31st March 2021 is as follows:

(₹ in Lacs)

Year Ending March 31	Amortisation Expense
2022	220.87
2023	213.98
2024	202.94
Thereafter	918.38

2.3 Right of Use Asset

(₹ in Lacs)

Balance as at 1st April 2020	309.40
Depreciation for the year	92.82
Closing balance as 31st March 2021	216.58

3. INVESTMENT PROPERTIES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Gross balance at beginning	**372.74**	**372.74**
Additions during the year	114.95	-
Disposals / Deductions	-	-
Depreciation for the year	8.05	6.15
Accumulated Depreciation	(34.87)	(26.83)
Net balance at the end of reporting period	**452.82**	**345.91**

Fair Value	**426.52**	**331.34**

Amount recognised in Statement of Profit & Loss for Investment Properties	Year ended 31 March 2021	Year ended 31 March 2020
Rental Income	**7.18**	**9.18**

The investment properties are leased to tenants under short term cancellation lease with rental payable on monthly basis.

Note 1: The investment properties consist of residential properties in India and have been categorised as investment properties based on nature of its uses. There has been no change in the valuation method adopted.

Note 2: The fair value of Investment properties has been determined on the basis of available circle rates of the property of the concerned registration authority and has been categorised in level 3 fair value.

Note 3: The conveyance deed of four (PY one) Investment properties valued at ₹ 270.53 Lacs (PY ₹ 160.22 Lacs) are yet to be executed in favor of the company.

4. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
(valued at cost unless stated otherwise)				
Unquoted equity instruments - fully paid				
Investment in subsidiaries				
Poly Medicure (Laiyang) Co. Ltd. China USD 1,100,000 (previous year USD 1,100,000) Membership Interest	472.39	472.39		
Plan 1 Health India Pvt Ltd. (9999 Equity share of ₹ 10 each)	1.00	1.00		
Poly Medicure B.V. Netherlands 12,30,000 Shares @ Euro 1 each	3,417.79	3,417.79		
Investment in associates				
126,500 (previous Year 96,600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	88.67	88.67		
Total	**3,979.85**	**3,979.85**		
Aggregate amount of Unquoted Investment	3,979.85	3,979.85		
Aggregate provision for diminution in the value of Investment	-	-		
Category wise summary:				
Financial assets measured at cost (net of provision)	3,979.85	3,979.85		
Financial assets measured at fair value through profit and loss	-	-		

5. OTHER INVESTMENT

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Investment measured at fair value through profit and loss				
Unquoted				
In Fixed Maturity Plans				
UTI FITF Series XXVII - II (1161 DAYS)	-	222.99	-	-
In Liquid Mutual Funds				
Axis Short Term Fund -Regular Growth	-	-	266.36	-
Axis Strategic Bond Fund-Regular Growth	-	-	571.03	-
Axis Strategic Bond (G)	-	-	3,021.27	-
HDFC Medium Term Debt Fund-Regular Plan-Growth	-	-	1,280.21	1,049.03
HDFC MTerm Debt-RP (G)	-	-	4,232.20	-
HDFC Short Term Debt Fund - Regular Plan -Growth	-	-	517.76	-
HDFC STerm Debt-RP (G)	-	-	2,414.70	-

HDFC UltraShTerm (G)	-	-	2,416.32	-
ICICI Prudential Corporate Bond Fund - Growth	-	-	155.59	23.15
ICICI Prudential Short Term Fund - Growth Option	-	-	364.42	-
ICICI Prudential-Equity & Commodities Mutual Funds	-	-	33.51	-
IDFC Corporate Bond (G)	-	-	4,534.70	-
IDFC Corporate Bond Fund Regular Plan-Growth	-	-	100.95	-
Kotak Corporat Bond RP (G)	-	-	4,910.90	260.75
L&T Triple Ace Bond RP (G)	-	-	253.21	-
L&T Triple Ace Bond RP (G)	-	-	913.78	-
L&T Ultra Short Term (G)	-	-	102.74	-
NIPPON INDIA Corporate Bond Fund(G)	-	-	4,530.68	-
SBI Magnum Medium (G)	-	-	2,212.49	-
SBI Magnum Medium Duration Fund Regular Growth	-	-	363.42	-
SBI Magnum Ultra Short Reg. Cash (G)	-	-	805.04	-
SBI Short Term Debt Fund Regular Plan-Growth	-	-	499.98	-
Franklin India Savings Fund Retail Option	-	-	-	259.28
Total	**-**	**222.99**	**34,501.25**	**1,592.21**
Aggregate amount of Unquoted Investment	**-**	**222.99**	**34,501.25**	**1,592.21**
Aggregate provision for diminution in the value of Investment	-	-	-	-
Category wise summary:				
Financial assets measured at amortised cost (net of provision)	-	-	-	-
Financial assets measured at fair value through profit and loss	-	222.99	34,501.25	1,592.21

5.1 Investments made by the company other than those with a maturity of less than one year, are intended to be held for long term.

5.2 In absence of the active market and non-availability of quotes on recognised stock exchange, investment in fixed maturity plan and liquid mutual funds are disclosed as unquoted and fair value is assessed based on NAV of respective funds.

6. LOANS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Considered good- Unsecured:				
Loans and advances to employees	-	-	33.30	13.71
Total	**-**	**-**	**33.30**	**13.71**

7. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
(Unsecured, considered good, unless stated otherwise)				
Security Deposits				
Considered good	321.86	247.46	164.57	105.27
Considered doubtful	-	-	6.68	8.68
Less: Provision for doubtful deposits	-	-	(6.68)	(8.68)
Interest accrued on bank deposits / Advances	183.68	104.39	61.36	107.99
Dividend / Governing council share from associates	-	-	65.07	45.46
Other receivable #	-	-	39.24	114.09
Non-current bank balances (refer note 12)	4,842.53	3,145.46	-	-
Total	**5,348.07**	**3,497.31**	**330.24**	**372.81**

Includes ₹ 2.33 lacs (Previous Year ₹ 2.33 lacs) paid under protest for enhanced cost of land, contested in Hon'ble Punjab and Haryana High Court.

7.1 Movement in the provision for doubtful deposits

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	8.68	9.78
Movement in the amount of provision (Net)	(2.00)	(1.10)
Balance at the end of the year	6.68	8.68

8. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
(Unsecured, considered good, unless stated otherwise)				
Capital Advances				
Considered Good	769.30	1,692.39	-	-
Considered Doubtful	116.36	97.50	-	-
Less: Provision for doubtful advances	(116.36)	(97.50)	-	-
Other loans and advances				
Advance for goods / services				
Considered Good #	-	-	750.58	532.56
Balance with revenue authorities	-	-	1,389.34	1,432.30
Advance tax/ tax deducted at source (net of provision)	14.27	14.27	-	-
Prepaid Expenses	27.37	37.66	293.85	295.19
GST, Excise Duty, Service tax and VAT refundable	-	-	923.30	109.10
Export benefits receivable	-	-	679.53	602.36
Total	**810.94**	**1,744.32**	**4,036.60**	**2,971.51**

Includes advance of ₹ Nil (previous year ₹ 11.40 lacs) given to step subsidiary against goods.

8.1 Movement in provision for doubtful advances

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	97.50	77.08
Movement in amount of provision (Net)	18.86	20.42
Provisions written off	-	-
Balance at the end of the year	**116.36**	**97.50**

9. INVENTORIES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
(Valued at lower of cost and net realisable value)		
Raw Materials including packing materials	6,006.06	5,151.86
Goods-in transit	444.76	744.23
Work-in-progress	2,180.32	1,883.45
Finished Goods	1,591.85	1,581.74
Stock-in-trade	93.32	176.78
Stores and spares	621.96	558.36
Total	**10,938.27**	**10,096.42**

10. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Considered good- Unsecured	14,955.37	12,044.80
Considered Doubtful	38.18	30.58
Less: Provision for Doubtful Debts	(38.18)	(30.58)
Total	**14,955.37**	**12,044.80**

(₹ in Lacs)

Particulars	As at 31 March, 2021	At at 31 March, 2020
Trade receivable includes:		
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	-	26.96
Due from Plan 1 Health SRL, Italy, being step-subsidiary	144.72	21.51
Due from Ultra For Medical Products (UMIC), being associate company	382.41	495.29

(₹ in Lacs)

Movement in the provision for doubtful debts	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	30.58	29.84
Addition/(Deletion)	9.87	10.02
Written off out of Provision	(2.27)	(9.28)
Balance at the end of the year	**38.18**	**30.58**

The concentration of credit risk is limited due to large and unrelated customer base.

11. CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with Banks		
In current accounts	266.66	113.79
In deposit accounts, with less than 3 months maturity period	-	57.38
Cash on hand (including foreign currency notes)	12.81	18.29
Total	**279.47**	**189.46**

There are no repatriation restrictions with regard to cash & cash equivalents as at the end of reporting year and prior year.

12. OTHER BANK BALANCES

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Unclaimed dividend accounts	-	-	30.82	30.55
Held as margin money	697.03	1,553.05	-	-
Deposits with more than 3 months but less than 12 months maturity period	-	-	2,430.05	2,019.23
Deposits with more than 12 months maturity period	4,145.50	1,592.41	-	-
Amount disclosed under the head "other Non Current Financial Assets" (Refer note 7)	(4,842.53)	(3,145.46)	-	-
Total	**-**	**-**	**2,460.87**	**2,049.78**

13. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised share Capital				
Equity Shares of ₹ 5 each	12,00,00,000	6,000.00	12,00,00,000	6,000.00
Issued, subscribed & paid up shares				
Equity Shares of ₹ 5 each fully paid up	9,58,80,567	4,794.03	8,82,46,980	4,412.35
Total	**9,58,80,567**	**4,794.03**	**8,82,46,980**	**4,412.35**

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

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	8,82,46,980	4,412.35	8,82,36,930	4,411.85
Add: Issued during the year by way of ESOP	-	-	10,050	0.50
Add: Issued during the year by way of QIP	76,33,587	381.68		
Outstanding at the end of year	**9,58,80,567**	**4,794.03**	**8,82,46,980**	**4,412.35**

13.2 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 (PY ₹ 5). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

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

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Share of ₹ 5 each (Previous Year ₹ 5 each)				
M/s Ezekiel Global Business Solutions LLP	1,23,61,320	12.89%	1,23,61,320	14.01%
Mr. Rishi Baid	99,93,048	10.42%	99,93,048	11.33%
M/s Zetta Matrix Consulting LLP	83,19,660	8.68%	83,19,660	9.43%
Mr. Himanshu Baid	79,07,624	8.25%	79,07,624	8.96%

The aforesaid disclosure is based upon percentages computed separately for each 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.

13.4 During the Year ended 31st March 2021, the company have not paid any interim or final dividend.

13.5 Shares allotted for consideration other than cash during the period of five years immediately preceding financial year

The Company had allotted 4,41,13,440 fully paid-up equity shares of face value ₹ 5 each during the financial year ended 31st March 2017, pursuant to bonus issue approved by the shareholders through postal ballot.

14 OTHER EQUITY

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
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
Closing Balance	**46.98**	**46.98**
Securities Premium		
Balance at the beginning of the year	69.35	34.67
Addition during the year	39,618.31	34.68
Share Issue Expenses(net of deferred tax)	(553.86)	-
Closing Balance	**39,133.80**	**69.35**
Share Based Payment Reserve Account		
Balance at the beginning of the year	13.89	30.15
Addition/(deletion)during the year (Net of Lapses)	64.74	(16.26)
Closing Balance	**78.63**	**13.89**
General Reserve		
Balance at the beginning of the year	18,634.83	16,134.83
Add: Transferred from Surplus in Statement of Profit and Loss	2,500.00	2,500.00
Closing Balance	**21,134.83**	**18,634.83**
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	19,707.24	17,304.28
Less:Adjustment on account of initial adoption of Ind AS 116 (Net of deferred tax of ₹ 42.89 lacs)		(79.86)
Add: Additions during the year	12,951.17	9,238.28
Less: Dividend paid	-	(1,764.94)
Less: Dividend tax paid	-	(362.79)
Less: Interim Dividend	-	(1,764.94)
Less: Interim Dividend tax	-	(362.79)
Less: Transferred to General Reserve	(2,500.00)	(2,500.00)
Closing Balance	**30,158.41**	**19,707.24**
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	43.81	15.23
Add: Addition during the year	10.46	28.58
Closing Balance	**54.27**	**43.81**
Grand Total	**90,606.91**	**38,516.08**

15. BORROWINGS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Secured - At Amortised Cost				
(i) Term loans from banks	5,865.39	10,853.17	2,955.60	3,283.27
(ii) Others - Vehicle Loan				
from banks	-	2.68	2.68	17.68
from others	-	-	-	-
(iii) Deferred payment liabilities	108.56	201.56	245.55	169.98
Amount disclosed under the head "other current financial liabilities" (note 21)	-	-	3,203.83	3,470.93
Total	**5,973.95**	**11,057.41**	**-**	**-**

15.1 Term loan comprises the following:

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
From Bank				
Rupee Loan #	-	1,302.94	-	1,038.05
Foreign Currency Loan ##	5,865.39	9,550.23	2,955.60	2,245.22

net off of ₹ NIL (PY 2.71 Lacs) as finance charge.

net off of ₹ 45.58 Lacs (PY 76.74 Lacs) as finance charge.

15.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Installment	Outstanding as at 31.03.2021	Annual repayment schedule			
				2021-22	2022-23	2023-24	2024-25
Foreign Currency Loan ##	1.40%	Quarterly	8,866.56	2,979.13	2,782.84	2,058.90	1,045.69
Other- Vehicle Loan	9.35%	Monthly	2.68	2.68	-	-	-

includes ₹ 45.58 Lacs (PY 76.74 Lacs) as prepaid finance charge.

15.3 Details of Security:

a Term Loans from State Bank of India are secured by first charge on entire fixed assets of the (including Plant & Machinery, Office Equipment Furniture & Fixtures and other Fixed Assets) of the Company (Present & future), including equitable mortgage of factory land & buildings, located at Plot No. 104 & 105, Plot No. 115 & 116, Sector 59, HSIIDC Industrial Estate, Faridabad (Haryana), Plot No. 113, HUDA Industrial Area, Sector 59, Faridabad (Haryana) Plot No. 17, SIDCUL, Haridwar (Uttarakhand) and Plot No. PA-010-019, Light Engineering, SEZ, Jaipur (Rajasthan) and Second Pari passu charge on Stock & Receivables and other Current Assets of the Company.

b Foreign Currency Loan (ECB) of EUR: 4.50 Mn. from HSBC Bank (Mauritius) Ltd. is secured by first pari passu charge on entire fixed assets of the Company including land, building and other fixed assets (including Plant & Machinery, Office Equipment and Furniture & Fixtures and all other Fixed Assets) of the Company (Present & Future), situated at Plot No. 104 & 105, 115 & 116, HSIIDC, Sector-59, Faridabad, Plot No. 113, Huda, Sector 59, Faridabad, Plot No. 17, SIDCUL, Haridwar and Plot No. PA-010-019, Light Engineering, SEZ, Jaipur and second pari passu charge on stock and receivables of the Company.

Foreign Currency Loan (ECB) of EUR: 6.50 Mn. from HSBC Bank (Mauritius) Ltd. is secured by first pari passu charge with State Bank of India on entire fixed assets of the Company, including land, building and other fixed assets (including Plant & Machinery) of the Company (Present & Future), situated at Plot No. 104 & 105, 115 & 116, HSIIDC Industrial Estate, Sector-59, Faridabad, Plot No. 113, HUDA Industrial Area, Sector 59, Faridabad, Plot No. 17, SIDCUL, Haridwar, Plot No. PA-010-019, Light Engineering, SEZ, Jaipur & also first pari-passu charge with HSBC, India on entire fixed assets of the Company Including land, building and other fixed assets (including Plant & Machinery) of the Company Present & Future), situated at Plot No. 34, Sector 68, IMT, Faridabad and second pari passu charge with other term lenders i.e. State Bank of India, Citi Bank, HSBC, Mauritius and HSBC, India on stock and receivables of the Company.

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

d Deferred payment liabilities represents assets acquired on deferred credit terms.

16. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Security Deposit from Agent/ Others	81.49	76.39
Deferred interest on deferred payment liability	6.07	26.96
Total	**87.56**	**103.35**

17. PROVISIONS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits				
Gratuity	75.56	147.40	25.66	23.92
Leave Encashment	155.42	143.67	18.61	18.05
Total	**230.98**	**291.07**	**44.27**	**41.97**

18. DEFERRED TAX LIABILITIES

In accordance with IND AS - 12, 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:

Particulars	As at 31 March, 2021					
	Balance as at April 1 2020	Recognised in profit & loss	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,702.57	(140.02)	-	1,562.55	1,562.55	-
Provision for defined benefit plan - P&L	(83.83)	37.57	-	(46.26)	-	(46.26)
Provision for defined benefit plan - OCI	17.69	-	3.52	21.21	21.21	-
Provision for Bonus	(34.28)	22.67	-	(11.61)	-	(11.61)
Provision for doubtful debts and advances	(34.42)	(6.16)	-	(40.58)	-	(40.58)
Exchange difference impact under Sec 43A of Income Tax Act.	(87.87)	(13.66)	-	(101.53)	-	(101.53)
IND AS 116	(30.95)	2.82	-	(28.13)	-	(28.13)
Share issue expense adjusted against other equity	-	-	-	(139.64)	-	(139.64)
Unrealised Gains	-	88.44	-	88.44	88.44	-
Deferred Tax (Assets) / Liabilities	**1,448.92**	**(8.34)**	**3.52**	**1,304.45**	**1,672.20**	**(367.75)**

Particulars	As at 31 March, 2020					
	Restated Balance as at April 1 2019	Recognised in profit & loss	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,998.02	(295.45)	-	1,702.57	1,702.57	-
Provision for defined benefit plan - P&L	(55.12)	(28.71)	-	(83.83)	-	(83.83)
Provision for defined benefit plan - OCI	8.08	-	9.61	17.69	17.69	-
Provision for Bonus	(43.89)	9.61	-	(34.28)	-	(34.28)
Provision for doubtful debts and advances	(40.78)	6.36	-	(34.42)	-	(34.42)
Exchange difference impact under Sec 43A of Income Tax act.	-	(87.87)	-	(87.87)	-	(87.87)
IND AS 116	(42.89)	11.95	-	(30.95)	-	(30.95)
Deferred Tax (Assets) / Liabilities	**1,823.42**	**(384.10)**	**9.61**	**1,448.92**	**1,720.26**	**(271.34)**

18.1 Movement on the deferred tax account is as follows:

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	1,448.92	1,866.31
Transitional IND AS 116 impact	-	(42.89)
Restated Balance	**1,448.92**	**1,823.42**
(Credit)/ Charge to the statement of profit and loss	(8.34)	(384.10)
(Credit)/ Charge to other comprehensive income	3.52	9.61
Adjusted in Other Equity	(139.64)	-
Balance at the end of the year	**1,304.44**	**1,448.92**

19. BORROWINGS - CURRENT

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured - from banks		
Cash / Export Credit Loan	3,091.97	4,432.75
Total	**3,091.97**	**4,432.75**

Working Capital limits from State Bank of India, Citi Bank N.A., The Hongkong & Shanghai Banking Corporation Limited and HDFC Bank Limited are secured by way of first pari-passu charge on entire current assets of the Company (present & future), including stocks of raw materials, stock in process, finished goods, stores & spares lying at factories , godowns or elsewhere (including goods in transit) and book debts / receivables and further secured by second pari-passu charge on entire residual fixed assets of the company.

20. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises	1,047.72	861.95
Total outstanding dues of trade payables and acceptances other than above	4,562.54	5,185.71
	5,610.26	**6,047.66**

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

(₹ in Lacs)

	Particulars	As at 31 March 2021	As at 31 March 2020
a	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;		
	- Principal Amount	1,047.72	861.95
	- Interest due		
b	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

21. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (Refer note no. 15)	3,203.83	3,470.93
Interest accrued but not due on borrowings	15.08	6.21
Interest accrued and due on borrowings / Security deposits	4.08	12.90
Unclaimed dividends	30.82	30.55
Other payables		
Employees related liabilities	1,690.16	1,436.60
Liability on account of outstanding forward contracts	11.85	227.61
Payables for capital goods	162.95	178.58
Others (includes deferred interest of ₹ 26.03 lacs (PY 11.11 Lacs) on deferred payment liability)	92.63	59.66
Total	**5,211.40**	**5,423.04**

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

22. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers	343.51	978.59
Other payables		
Statutory dues	708.65	513.83
Others	0.75	0.63
Total	**1,052.91**	**1,493.05**

23. CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Tax (Net of Prepaid Tax of ₹ 4354.48 Lacs) (PY ₹ 3209.27 lacs)	56.23	74.90
Total	**56.23**	**74.90**

24. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31 March, 2021	Year ended March 31, 2020
Sale of products		
Manufactured goods	73,526.30	62,828.09
Traded Goods	293.17	80.85
Other operating revenues		
Export Incentives	767.67	1,573.85
Sale of scrap	150.73	133.45
Others	0.37	-
Total	**74,738.24**	**64,616.24**

The Disclosures as required by Ind-AS 115 are as under :

(₹ in Lacs)

Particulars	**Year ended 31 March, 2021**	**Year ended March 31, 2020**
The Company disaggregates revenue based on nature of products/geography as under :		
Revenue based on Geography		
Sales		
Domestic	22,562.28	18,683.89
Export	51,257.56	44,225.04
Other operating revenue		
Domestic-Export incentives and Scrap	918.40	1,707.30
	74,738.24	**64,616.24**
Revenue based on Nature of Products		
Medical Devices	73,819.47	62,908.94
Export incentives	767.67	1,573.85
Scrap & Others	151.10	133.45
	74,738.24	**64,616.24**

(₹ in Lacs)

Reconciliation of Revenue	**Year ended 31 March, 2021**	**Year ended March 31, 2020**
Gross value of contract price	74,206.32	63,220.46
Less : Variable components i.e.,Rebate & discount	386.85	311.52
Other operating revenue	918.77	1,707.30
Revenue from operations as recognised in financial statement	**74,738.24**	**64,616.24**

(₹ in Lacs)

Reconciliation of Advance received from Customers-Contract Liabilities	**Year ended 31 March, 2021**	**Year ended March 31, 2020**
Balance at the beginning of the period	**978.59**	**276.20**
Less : Revenue recognised out of balance of advance received from customer at beginning of year	959.07	261.80
Add : Advance received during the year from customers for which performance obligation is not satisfied and shall be recognised as revenue in next year	323.99	964.19
Balance as at the end of the year	**343.51**	**978.59**

The Company have orders in hand as at 31st March 2021 for ₹ 4,519.77 lacs, for which performance obligation amounting to ₹ 4,519.77 lacs will be recognised as revenue during the next reporting year. The Company has evaluated the impact of Covid 19 on position of orders in hand as on 31.03.2021 and do not expect any major/significant cancellation/reduction in order value as at the date of approval of the standalone financial statement.

25. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income/ Dividend Income		
Interest Income on Fixed and other Deposits	308.33	483.13
Interest Income from Financial Assets Measured at Amortised Cost	28.16	3.82
Dividend/ Governing Council Share	79.40	45.46
Other non-operating income		
Rental Income from Investment Property	7.18	9.18
Government Grants and Subsidies	109.41	64.65
Income from Mutual Funds	93.04	-
Miscellaneous Income	112.90	72.15
Other Gain		
Provisions / Liabilities no longer required written back (net)	1.67	53.79
Gain on fixed assets sold/discarded	0.72	13.04
Gain on Foreign Exchange Fluctuation (net)	836.65	1,048.76
Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	351.36	64.40
Total	**1,928.82**	**1858.38**

26. COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Raw Material Consumed		
Inventory at the beginning of the year	4,333.31	2,704.62
Add: Purchases during the year	20,482.59	17,626.23
Less: Inventory at the end of the period	5,165.29	4,333.31
Cost of raw material consumed (A)	**19,650.61**	**15,997.54**
Packing Material Consumed		
Inventory at the beginning of the year	818.55	627.52
Add: Purchases during the year	4,962.65	4,894.69
Less: Inventory at the end of the period	840.77	818.55
Cost of packing material consumed (B)	**4,940.43**	**4,703.66**
Total (A+B)	**24,591.04**	**20,701.20**

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.

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

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	(Increase)/ Decrease
Inventories at the end of year			
Finished Goods and Stock in Trade	1,685.18	1,758.52	73.34
Work in progress	2,180.32	1,883.45	(296.87)
	3,865.50	**3,641.97**	**(223.53)**
Inventories at the beginning of year			
Finished Goods and Stock in Trade	1,758.52	744.12	(1,014.40)
Work in progress	1,883.45	2,120.52	237.07
	3,641.97	**2,864.64**	**(777.33)**

28. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	12,071.65	11,727.24
Contributions to Provident Fund and others	791.78	830.49
Share based payment to employees	64.73	13.89
Staff Welfare Expenses	146.06	162.53
Total	**13,074.22**	**12,734.15**

29. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	797.32	740.00
Employee benefits expenses	378.45	349.38
Power and Fuel	43.23	52.65
Travelling & Conveyance	2.21	4.56
Other Misc Expenses	23.12	8.18
Legal & Professional Charges	69.85	-
Total amount spent on Research and Development	**1,314.18**	**1,154.77**

30. FINANCE COST

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense		
Interest on loans	547.56	844.13
Interest on Income Tax	2.82	4.45
Exchange difference to the extent considered as an adjustment to interest costs	152.80	842.34
Interest on Lease Liabilities	10.64	43.49
Others		
Other amortised borrowing costs	77.35	31.10
Total	**791.17**	**1,765.51**

31. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of tangible assets	4,304.53	3,639.67
Amortisation of intangible assets	226.02	189.79
Depreciation of investment properties	8.05	6.15
Amortisation of Right to Use	92.82	92.82
	4,631.42	**3,928.43**

32. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	1,601.09	1,278.02
Power and Fuel	2,457.85	2,472.61
Job Work Charges	5,596.57	5,392.00
Other Manufacturing Expenses	173.67	77.39
Repairs to Building	61.75	74.96
Repairs to Machinery	60.33	85.62
Repairs to Others	29.37	28.94
Insurance (Net)	180.84	184.19
Short term lease	104.75	52.06
Rates, Taxes & Fee	186.51	100.98
Travelling & Conveyance	690.72	1,213.68
Legal & Professional Fees	1,368.01	1,348.51
Auditors' Remuneration	17.42	17.71
Commission and Sitting Fees to Non-Executive Directors	101.75	73.25
Donations	115.94	86.13
Bank Charges	203.63	210.09
Advertisement	8.63	18.73
Commission on sales	460.73	432.40
Freight & Forwarding (Net)	583.81	468.35
Business Promotion	68.22	212.05
Exhibition Expenses	7.41	184.40
Rebate, Discounts & Claims	116.79	65.17
Provision for Doubt full debts / Advances	24.46	29.34
Bad debts / Misc. Balances written off (net)	17.99	30.73
CSR Expenditure	247.72	237.72
Communication expense	52.96	49.82
Listing fees	6.15	5.40
Other Miscellaneous Expenses	296.85	288.75
Total	**14,841.92**	**14,719.00**

Payment to Auditors	Year ended 31 March 2021	Year ended 31 March 2020
Audit Fee	12.25	12.25
Limited Review of Results (Previous auditor)	-	1.00
Limited Review of Results	3.00	2.00
In other capacity		
(a) For certification work	0.30	0.39
(b) For Others	0.99	0.11
(c) For certifications & reports for QIP Purpose*	5.00	-
Reimbursement of expenses	0.88	1.96
Total	**22.42**	**17.71**

*Adjusted against Securities Premium account as share issue expenses are not charged to statement of Profit & loss.

33. TAX EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Tax expenses comprises of:		
Current tax	4,410.71	3,272.79
Earlier year tax adjustment (net)	(15.22)	51.36
Deferred tax	(8.34)	(384.10)
Total	**4,387.15**	**2,940.05**

Reconciliation of tax expenses and accounting profit multiplied by Indian tax rate	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	17,338.32	12,178.33
Applicable tax rate	25.17%	25.17%
Tax at the Indian tax rate of 25.17% (Previous year 25.17%)	**4,364.05**	**3,065.29**
Adjustment of expenses disallowed under income tax	165.88	347.07
Adjustment of expenses allowable under income tax	1.60	(35.14)
Other allowable deduction (including Ind As adjustments)	(120.82)	(104.43)
Current Tax (Normal Rate)	**4,410.71**	**3,272.79**
Additional Current Tax due to Special Rate	-	-
Current Tax (A)	**4,410.71**	**3,272.79**
Incremental Deferred tax Liability on timing Differences (Net)	(8.34)	(384.10)
Deferred Tax (B)	**(8.34)**	**(384.10)**
Tax expenses for earlier year (net) (C)	**(15.22)**	**51.36**
Tax expenses recognised in the statement of profit and loss (A+B+C)	**4,387.15**	**2,940.05**
Effective tax rate	25.30%	24.14%

POLY MEDICURE LIMITED

Notes to Standalone Financial Statements for the year ended 31 March, 2021

CORPORATE AND GENERAL INFORMATION

Poly Medicure Limited (''the Company'') is domiciled and incorporated in India and its equity shares are listed at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office of the company is situated at 232B, 3rd Floor, Okhla Industrial Estate, Phase III, New Delhi, India.

The Company is a manufacturer/producer of Medical Devices.

The standalone financial statements of the company for the year ended 31st March 2021 were approved and authorized for issue by the Board of directors in their meeting held on 24th May 2021

STATEMENT OF COMPLIANCE

The financial statements are a general purpose financial statement which have been prepared in accordance with the Companies Act 2013, Indian Accounting Standards and complies with other requirements of the law.

BASIS OF PREPARATION

These financial statements have been prepared complying in all material respects as amended from time to time with the accounting standards notified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules 2015. The financial statements comply with IND AS notified by Ministry of Corporate Affairs ("MCA").

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

Classification of Assets and Liabilities into Current and Non-Current

The Company presents its assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

a) expected to be realised or intended to be sold or consumed in normal operating cycle;

b) held primarily for the purpose of trading;

c) expected to be realised within twelve months after the reporting period; or

d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when :

a) it is expected to be settled in normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is due to be settled within twelve months after the reporting period; or

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle being a period within twelve months for the purpose of current and non-current classification of assets and liabilities.

SIGNIFICANT ACCOUNTING POLICIES

a Basis of Measurement

The Financial Statements of the company are consistently prepared and presented under historical cost convention on an accrued basis in accordance with IND AS except for certain Financial Assets and Financial Liabilities that are measured at fair value.

The financial statements are presented in Indian Rupees (`INR'), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Lacs (except otherwise indicated).

b Property, plant and equipment

(i) Property, plant and equipment situated in India are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be less accumulated depreciation and amortization. Freehold land is carried at cost of acquisition. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

(ii) Depreciation
Depreciation on Property, plant and equipment is provided on Straight Line Method over their useful lives and in the manner specified in Schedule II of the Companies Act, 2013.

(iii) Component Accounting
When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(iv) Stores and Spares which meets the definition of Property, plant and equipment and satisfying recognition criteria of Ind AS - 16 are capitalised as Property, plant and equipment and until that in capital work in progress.

(v) Lease Hold Assets are amortised over the period of lease.

(vi) Expenditure during construction/erection period is included under Capital Work-in-Progress and is allocated to the respective property plant and equipment on completion of construction/ erection.

(vii) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.

(viii) The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ix) Capital work in progress includes cost of Property, Plant and Equipment which are not ready for their intended use.

c Intangible assets:

(i) Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible Assets are stated at cost which includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis. In respect of patents and trademarks, useful life has been estimated by the management as 10 years unless otherwise stated in the relevant documents and in respect of SAP softwares as 10 year and other software as 3 years.

(ii) Software: Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible assets with indefinite useful lives (like goodwill, brands), if any, are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.

d Investment properties:

Investment properties are properties held either to earn rental income or capital appreciation or for both but not for sale in the ordinary course of business, use in production or supply of goods or services or for other administrative purposes. Investment properties are initially measured at cost including transaction cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation or impairment loss. Depreciation on investment properties are provided over the estimated useful life and is not different than useful life as mentioned in schedule II of the Companies Act 2013.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in profit or loss in the period of derecognised.

Though the company measures investment properties using cost based measurement, the fair value of investment properties is disclosed in the notes. Fair value are determined by using circle rates of the concerned registration authority.

e Research and development cost:

<u>Research Cost:</u>

Revenue expenditure on research is expensed under the respective heads of account in the period in which it is incurred and is grouped as “Research and development expenses”.

<u>Development Cost:</u>

Development expenditure on new product is capitalised as intangible asset, if technical and commercial feasibility as per Ind AS 38 is demonstrated, else charged to statement of profit and loss.

f Inventories:

Raw materials, Packing materials, Stores and Spares are valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Stock in process is valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Finished goods are valued at lower of cost and net realisable value. Cost for this purpose includes direct material, direct labor, other variable cost and manufacturing overhead based on normal operating capacity and depreciation.

Stock in Trade is valued at lower of cost and net realisable value

Scrap is valued at estimated realisable value.

g Financial instruments:

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the company becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

h Financial assets:

Financial assets include Investments, trade receivables, cash and cash equivalents, derivative financial assets, loans and also the equity / debt instruments held. Initially all financial assets are recognised at amortised cost or fair value through Other Comprehensive Income or fair value through Statement of Profit or Loss, depending on its business model for those financial assets and their contractual cash flow characteristics. Subsequently, based on initial recognition/ classification, where assets are measured at fair value, gain and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

(i) Investment in equity shares:
Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss for investments held for investment is recognized through Statement of profit and loss.

(ii) Investment in associates, joint venture and subsidiaries:
The Company's investment in subsidiaries and associates, joint venture are at carried at cost except where impairment loss recognised.

(iii) Trade receivables:
Trade receivables are recognised initially at fair value and subsequently measured at amortized cost less credit loss/impairment allowances/ provision for doubtful debts.

(iv) Cash and cash equivalents:
- Cash and cash equivalents are financial assets. Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost.

- Other Bank Balances:
Unclaimed / Unpaid dividend amount balance, deposit with bank as margin money for guarantees issued by bank, deposit kept as security deposit with statutory authorities are accounted as bank balance other than cash and cash equivalents.

- Cash Flow Statement:
Cash Flows are reported using indirect method whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of company are segregated.

(v) Loans & other financial assets:
Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

i Impairment of Financial assets:
In accordance with Ind AS 109, the company uses expected credit loss (ECL) model for evaluating, measurement and recognition of impairment loss.

j Financial liabilities:

(i) Classification:
The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(ii) Initial recognition and measurement:
All financial liabilities are recognized initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(iii) Subsequent measurement:
All financial liabilities are re-measured at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

(iv) Loans and borrowings:
Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through EIR amortization process. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

(v) De-recognition of financial liabilities:
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same

lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(vi) Derivative financial instruments:
The Company uses derivative financial instruments such as forward currency contracts and options to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The gain or loss in the fair values is taken to Statement of Profit and Loss at the end of every period. Profit or loss on cancellations/renewals of forward contracts and options are recognized as income or expense during the period.

k Impairment of non-financial assets:
At each reporting date, the company assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable amount of the non-financial asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is determined:

- In the case of an individual asset, at the higher of the Fair Value less cost to sell and the value in use,
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the company estimates the recoverable amount of the smallest cash generating unit to which the non-financial asset belongs. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of a non-financial asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the non-financial asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized immediately in the statement of Profit and Loss. Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset or cash generating unit is increased to the revised estimate of its recoverable amount. However, this increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for that non-financial asset or cash generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the statement of Profit and Loss.

l Foreign exchange transactions:

(i) Functional and presentation Currency:
The functional and reporting currency of company is INR.

(ii) Transaction and Balances:
Foreign exchange transactions are accounted for at the exchange rate prevailing on the date of transaction. All monetary foreign currency assets and liabilities are converted at the exchange rate prevailing at reporting date. All exchange gain or loss arising on translation of monetary items are dealt with in statement of profit and loss.

m Revenue recognition:
The company derives revenue from sale of manufactured goods and traded goods. In accordance with Ind AS 115, the company recognises revenue from sale of products and services at a time when performance obligation is satisfied and upon transfer of control of promised products or services to customer in an amount that reflects the consideration the company expects to receive in exchange for their products or services. The company disaggregates the revenue based on nature of products/Geography.

- **Export incentive:**
  Export incentives are accounted for on export of goods, if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

- **Dividend income:**
  Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

- **Interest income:**
  For all Financial instruments measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

- **Rental income:**
  Rental income on investment properties are accounted for on accrual basis.

n Government Grant

- Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.

- Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

- Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

- In respect of Property, Plant and Equipment purchased under Export Promotion Capital Goods (EPCG) scheme of Government of India, exemption of custom duty under the scheme is treated as, Government Grant and is recognized in Statement of Profit and Loss on fulfilment of associated export obligations.

o Employees Benefits:

i) <u>Short term employee Benefit:</u>
All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) <u>Defined Contribution Plan:</u>
Contributions to the Employees' Provident Fund and Employee's State Insurance are recognized as Defined Contribution Plan and charged as expenses in the year in which the employees render the services.

iii) <u>Defined Benefit Plan:</u>
The Leave Encashment (Unfunded) and Gratuity (Funded) are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past Service cost is recognised in the statement of profit and loss in the period of plan amendment. Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligations under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, gains and losses on curtailments and non-routine Settlements.

- Net interest income or expense.

iv) Long term Employees Benefits:
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

v) Termination benefits:
Termination benefits are recognised as an expense in the period in which they are incurred.

The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

(a) when the entity can no longer withdraw the offer of those benefits; and

(b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

p Share based payments:

Equity settled share based payments to employees are measured at fair value of equity instrument at the grant date. The fair value determined at grant date is expensed on straight line basis over the vesting period based on the company's estimate of equity instrument that will eventually vest with corresponding increase in equity. At the end of each reporting period, the company revise its estimate of number of equity instruments expected to vest. The impact of revision of the original estimates, if any, is recognised in statement of profits and loss such that cumulative expense reflect the revised estimate with a corresponding adjustment to Share based Payments Reserve. The dilutive effect of outstanding option is reflected as additional dilution in computation of diluted earning per share.

q Borrowing costs:

(i) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

(ii) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

(iii) All other borrowing costs are recognised as expense in the period in which they are incurred.

r Leases:

In accordance with IND AS 116, the Company recognises right of use assets representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before commencement date less any lease incentive received plus any initial direct cost incurred and an estimate of cost to be incurred by lessee in dismantling and removing underlying asset or restoring the underlying asset or site on which it is located. The right of use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The right of use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that there carrying amounts may not be recoverable. Impairment loss, if any, is recognised in statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised- in-substance fixed lease payments, the company recognises amount of remeasurement of lease liability due to modification as an adjustment to right of use assets and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right of use assets is reduced to zero and there is further reduction in measurement of lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Company has elected not to apply the requirements of IND AS 116 to short term leases of all assets that have a lease term of twelve month or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on straight line basis over lease term.

s Taxes on income:

(i) Current Tax:

1. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-Tax Act 1961 and based on the expected outcome of assessments / appeals.

2. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

   Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax:

1. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.

2. Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled.

3. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognised directly in equity.

t Provisions, Contingent liabilities, Contingent assets and Commitments:

(i) General:

The Company recognises provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive obligation as a result of past events and it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financing cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation:

- A present obligation arising from past events, when no reliable estimate is possible:

- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognised but disclosed in financial statement when an inflow of economic benefits is probable.

Provisions, Contingent liabilities, Contingent assets and Commitments are reviewed at each balance sheet date.

(ii) Other Litigation claims:
Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

(iii) Onerous contracts:
Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

u **Exceptional Items:**
On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

v **Earnings per share:**
Basic Earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

w **Segment reporting:**
The operating segment of the company is medical devices and the same have been evaluated on management approach as defined in Ind AS - 108 "Operating Segment". The company accordingly reports its financials under one segment namely "Medical Devices".

x **Financial statement classification:**
Certain line items on the balance sheet and in the statement of Profit and Loss have been combined. These items are disclosed separately in the Notes to the financial statements. Certain reclassifications have been made to the prior year presentation to conform to that of the current year. In general the company classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date.

y **Fair value measurement:**
The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

z Significant Accounting Judgements, Estimates and Assumptions:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation of uncertainty related to Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company and based on estimates the company expects that the carrying amount of financial assets will be recovered and the company do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of these Standalone Financial Statements.

i <u>Income taxes:</u>

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the stand alone financial statements.

ii <u>Fair value measurement of financial instruments:</u>

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including book value, Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iii Lease:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In exercising whether the company is reasonably certain to exercise an option to extend a lease or to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease or to exercise the option to terminate the lease. The company revises lease term, if there is change in non-cancellable period of lease. The discount rate used is generally based on incremental borrowing rate.

iv Depreciation/Amortisation and useful life of Property, Plant and Equipment:

The Company has estimated the useful life of Property, Plant and Equipment (PPE) as specified in schedule II of Companies Act. 2013. However, the actual useful life for individual PPE could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternatively, the equipment may continue to provide useful services well beyond the useful life assigned.

v Impairment of Financial & Non-Financial Assets:

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The Company uses judgements in making these assumptions and selecting inputs for impairment calculations based on existing market conditions, past history, technology, economic developments as well as forward looking estimates at the end of each reporting period.

vi Provisions:

The company makes provision for leave encashment and gratuity based on report received from the independent actuary. These valuation reports uses complex valuation models using actuarial valuation. An actuarial valuation involves making various assumption that may differ from actual development in future.

vii Contingencies:

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

aa Capital:

Debt and equity instruments:

Ordinary equity shares are classified as equity. Debt instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

ab Other Miscellaneous Expenses

Public Issue Expenditure/Share issue expenses on private placement basis/FCCB's issue expenditure is being written off against Securities/Share premium, net of taxes, in the year of issue.

34 Fair value measurement

i Financial instruments: Accounting classification and fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

(₹ in Lacs)

Particulars	31-03-2021						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	3,979.85	-	-	3,979.85	-	-	-
In Liquid Mutual Funds	34,501.25	34,501.25	-	-	-	34,501.25	-
Trade receivables	14,955.37	-	-	14,955.37	-	-	-
Cash & cash equivalents	279.47	-	-	279.47	-	-	-
Other bank balances	2,460.87	-	-	2,460.87	-	-	-
Loans	33.30	-	-	33.30	-	-	-
Other financial assets	5,678.31	-	-	5,678.31	-	-	
Total financial assets	**61,888.42**	**34,501.25**	**-**	**27,387.17**	**-**	**34,501.25**	**-**
Financial liabilities							
Borrowings	9,065.92	-	-	9,065.92	-	-	-
Trade payables	5,610.26	-	-	5,610.26	-	-	-
Lease Liabilities	328.98	-	-	328.98	-	-	-
Other financial liabilities	5,298.96	11.85	-	5,287.11	-	11.85	-
Total financial liabilities	**20,304.12**	**11.85**	**-**	**20,292.27**	**-**	**11.85**	**-**

(₹ in Lacs)

Particulars	31-03-2020						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	3,979.85	-	-	3,979.85	-	-	-
In Fixed Maturity Plans	222.99	222.99	-	-	-	222.99	-
In Liquid Mutual Funds	1,592.21	1,592.21	-	-	-	1,592.21	-
Trade receivables	12,044.80	-	-	12,044.80	-	-	-
Cash & cash equivalents	189.46	-	-	189.46	-	-	-
Other bank balances	2,049.78	-	-	2,049.78	-	-	-
Loans	13.71	-	-	13.71	-	-	-
Other financial assets	3,870.12	-	-	3,870.12	-	-	-
Total financial assets	**23,962.92**	**1,815.20**	**-**	**22,147.72**	**-**	**1,815.20**	**-**
Financial liabilities							
Borrowings	15,490.16	-	-	15,490.16	-	-	-
Trade payables	6,047.66	-	-	6,047.66	-	-	-
Lease Liabiliies	432.34	-	-	432.34	-	-	-
Other financial liabilities	5,526.39	227.61	-	5,298.78	-	227.61	-
Total financial liabilities	**27,496.55**	**227.61**	**-**	**27,268.94**	**-**	**227.61**	**-**

The carrying amount of bank balances, Trade Receivable, Trade Payable, other financial assets / liabilities, loans, cash and cash equivalents, borrowings are considered to be the same as their fair value due to their short term nature.

The levels have been classified based on the followings:

Level 1: It hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted.

- Close ended mutual funds at NAV's declared by AMFI.

- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as FIMMDA (Fixed Income Money Market and Derivative Association of India).

- Derivative Instruments at values determined by counter parties/Banks using market observable data.

- Certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value.

35. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lacs)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
a	**Contingent liabilities not provided for:**		
	Compensation for enhanced cost of Land pending with District & Session Court Faridabad (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
	Demand from National Pharmaceutical Pricing Authority (Net)	76.88	76.88
b	**Obligations and commitments outstanding:**		
	Unexpired letters of credit ₹ 1,762.12 lacs (Previous year ₹1,068.77 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,971.84 lacs (Previous year ₹ 1,863.46 lacs), (Net of margins)	3,733.96	2,932.23
	Bills discounted but not matured	696.33	890.73
	Custom duty against import under EPCG Scheme	1,930.94	1,927.70
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	3,472.81	5,612.40

36. Financial Risk Management

The Company's activities expose it to price risk, credit risk, liquidity risk and market risk.

This note explains the source of risk which the company is exposed to and how it manages the risk and its impact on the financial statement. These risks are managed by the senior management of the company supervised by the Board of Directors to minimise potential adverse effects on the financial performance of the company.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash & cash equivalent, Financial instruments, Financial assets & Trade Receivable	Credit Rating and ageing analysis	Diversification of counter Parties, setting of trade receivable, review of outstanding / overdues
Liquidity Risk	Other Liabilities	Maturity Analysis	Maintenance of Sufficient cash and cash Equivalent, Fixed Deposit & other marketable securities
Market Risk-Foreign exchange	Highly probable forecast transactions	Sensitivity analysis	Forward Foreign Exchange Contracts

The Board of Directors of the company provides guiding principles for overall risk management, as well as policies covering specific areas i.e. foreign exchange risk, credit risk & Investment of Surplus liquidity.

The company's risk management is carried out by finance department, accordingly, this department identifies, evaluates and hedges financial risk.

A) Price Risk

The main Raw materials for manufacturing of Medical devices are various types of Plastic Granules i.e. PP, LDPE, HDPE, PC, PA, SAN, ABS and K. Resin etc. The prices of Raw materials are mainly dependent on the price of Crude Oil. The majority of Raw materials are being imported by the Company and the few are procured indigenously. In case of imported Raw materials, the adverse forex movements are covered by the natural hedge. In case of the drastic price rise of Raw materials during the year, the Company makes appropriate changes in the prices of Finished Products, after due discussions with the customers. The prices of Finished Goods are generally reviewed every year and appropriate changes in prices are made to offset the increase in cost.

B) Credit Risk

Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss and trade receivables

Credit Risk Management

The company has invested in fixed deposits and in liquid mutual funds and have invested only with those funds plan having good credit rating / track record. The company reviews the creditworthiness of these counterparties on an ongoing basis. Another credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customer to whom credit is extended in normal course of business. The company estimates the expected credit loss on the basis of past data and experience. The company also takes proper ECGC cover based on risk based classification of trade receivables.

The Geographical concentration of trade receivable (net of allowance) is as under:

(₹ in Lacs)

Particulars	At at 31 March 2021	As at 31 March 2020
India	3,694.36	3,272.03
Europe	4,192.80	2,906.31
USA	42.95	23.93
Others	7,025.26	5,842.53
	14,955.37	**12,044.80**

Review of outstanding trade receivables and financial assets is carried out by the management each quarter. The Company has a practice to provide for provision for doubtful debts on the basis of duly board approved policy on provision for bad & doubtful debts.

Reconciliation of loss allowance provisions:

(₹ in Lacs)

Particulars	Deposits	Trade receivable	Advances
Loss Allowance as at 1 April 2019	9.78	29.84	77.08
Change In loss allowance(Net)	(1.10)	0.74	20.42
Loss Allowance as at 31 March 2020	8.68	30.58	97.50
Change In loss allowance (Net)	(2.00)	7.60	18.86
Loss Allowance as at 31 March 2021	6.68	38.18	116.36

COVID-19: The Company do not envisage any financial difficulties resulting in additional credit risks higher than usual credit terms due to COVID-19 outbreak.

C) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in interest rate. The company's main interest rate risk arises from long term borrowings with variable rates (LIBOR plus) which exposes the company to cash flow interest rate risk.

i) Interest rate risk exposure - The exposure of the company's borrowing to interest rate changes at the end of reporting period is as follows:

(₹ in Lacs)

Particulars	At at 31 March 2021	As at 31 March 2020
Variable rate borrowing	11,915.64	18,589.55
Fixed rate borrowing	354.11	371.54
Total	**12,269.75**	**18,961.09**

The analysis by maturities is provided in note D "Maturities of Financed liabilities" below.

ii) Sensitivity analysis: For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for whole year:-

(₹ in Lacs)

Particulars	Impact on profit before tax for the year ended	
	31 March 2021	31 March 2020
Interest rate- increase by 50 basis point	59.58	92.95
Interest rate- decrease by 50 basis point	(59.58)	(92.95)

D) Liquidity Risk

The company's principle source of liquidity are cash & cash equivalent and cash flows that are generated from operations. The company believes that its working capital is sufficient to meet its current requirement. Additionally, the company has sizeable surplus funds in liquid mutual fund and also in fixed deposit ensuring safety of capital and availability of liquidity as and when required hence, the company do not perceive any liquidity risk.

(₹ in Lacs)

Particulars	At at 31 March 2021	As at 31 March 2020
The company has working capital funds which Includes		
Cash and cash equivalent	279.47	189.46
Current investments in liquid mutual funds	34,501.25	1,592.21
Bank balances	2,460.87	2,049.78
Trade receivable	14,955.37	12,044.80
Total	**52,196.96**	**15,876.25**

Besides above, the company had access to the following undrawn facilities at the end of reporting period:

(₹ in Lacs)

Particulars	At at 31 March 2021	As at 31 March 2020
Fixed		
Cash credit and other facilities	4,468.12	3,657.25
Variable		
Other facilities	-	-

Contractual maturities of significant financial liabilities are as under :

Maturities of financial liabilities

(₹ in Lacs)

Particulars	Less than and equal to 1 year	More than 1 year	Total
As at 31 March 2021			
Trade payable	5,610.26	-	5,610.26
Other Financial liabilities	8,435.72	6,258.14	14,693.86
Total	**14,045.98**	**6,258.14**	**20,304.12**
As at 31 March 2020			
Trade payable	6,047.66	-	6,047.66
Other Financial liabilities	9,959.81	11,489.08	21,448.89
Total	**16,007.47**	**11,489.08**	**27,496.55**

E) Market Risk

COVID-19 related risk

The Company being engaged in manufacture of medical devices and related items (being essential item) has not witnessed any significant interruptions in the supply and production cycle due to COVID-19 and kept production and dispatches on-going during the year under review.

Foreign Currency Risk

The company operates significantly in international markets through imports and exports and therefore exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD/Euro/GBP/JPY. The risk is measured through sensitivity analysis. In order to minimize any adverse effect on the financial performance of the company, financial instrument such as foreign exchange forward contracts are used exclusively to mitigate currency risk.

(i) The company uses foreign exchange forward contracts to mitigate exposure in foreign currency risk. The foreign exchange forward contract outstanding at reporting date are as under: -

(in Lacs)

Particulars	Type	Currency	As at 31-03-2021		As at 31-03-2020	
			FC	INR	FC	INR
Forward Contracts	Sell	USD:INR	-	-	69.27	5,233.51
		EURO:INR	-	-	12.06	1,005.14
		GBP:INR	3.00	301.98	9.07	851.04
	Buy	EURO:INR	4.06	348.56	-	-
		JPY:INR	-	-	285.42	199.79

(ii) Particulars of Unhedged Foreign Currency Exposure as at reporting date (Net exposure to Foreign Currency Risk)

(in Lacs)

Particulars	Currency	As at 31-03-2021		As at 31-03-2020	
		FC	INR	FC	INR
Receivable / (Payable)	USD:INR	46.38	3,390.46		
	EURO:INR	(49.99)	(4,289.30)	(90.59)	(7,548.59)
	USD:INR	-	-		
	EURO:INR	-	-		
	GBP:INR	(1.15)	(115.96)	(2.39)	(223.79)
	CAD:INR	(0.06)	(3.61)	(0.05)	(2.41)
	LE.:INR	13.99	65.07	(9.44)	(45.46)
	SEK:INR	(0.63)	(5.29)	(1.51)	(11.53)
	JPY:INR	(681.40)	(449.88)	(639.31)	(449.83)
	UD:INR	-	-	(0.01)	(0.35)
	SGD:INR	-	-	-	-

(iii) Maturity of outstanding foreign exchange forward contracts

The details in respect of maturity of outstanding forward exchange forward contract are as given:-

(₹ in Lacs)

Particulars	Type	Currency	As at 31-03-2021	As at 31-03-2020
Not later than 3 months	Sell	USD:INR	-	870.68
		EURO:INR	-	213.59
		GBP:INR	150.99	165.25
	Buy	EURO:INR	348.56	-
		JPY:INR	-	199.79
Later than 3 months and not later than 6 months	Sell	USD:INR	-	2,023.46
		EURO:INR	-	499.92
		GBP:INR	150.99	258.01
Later than 6 month & not later than one year	Sell	USD:INR	-	2,339.36
		EURO:INR	-	291.62
		GBP:INR	-	427.79

(iv) The mark to market gain or loss on foreign currency are as under: -

(₹ in Lacs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Mark to market loss / (Gain) accounted for (Net)	(215.76)	334.68

37 CAPITAL MANAGEMENT

a) Risk Management -

The company is cash surplus and has no capital other than equity. The Cash surplus are currently invested in Liquid mutual funds and also in fixed deposit with banks. Safety of capital is of prime importance to ensure availability of capital for company's business requirement. Investment objective is to provide safety and adequate return on surplus funds. The company's adjusted net debt to equity ratio at the end of reporting year is as follows:

(₹ in Lacs)

Particulars	As at	
	31 March 2021	31 March 2020
Gross borrowings	12,269.75	18,961.09
Less: cash and cash equivalents	279.47	189.46
Adjusted net debt	11,990.28	18,771.63
Total Equity	95,400.94	42,928.43
Adjusted net debt to equity	12.57%	43.73%

The company's total owned funds of ₹ 95,400.94 lacs with ₹ 11,990.28 Lacs as net debts is considered adequate by the management to meet its business interest and any capital risk it may face in the future.

b) Loan Covenants

Under the terms of borrowing facilities, the company is required to comply with certain financing covenants and the company has complied with those covenants through out the reporting period.

c) Dividend

(₹ in Lacs)

Particulars	As at	
	31 March 2021	31 March 2020
Dividend recognised in the financial statements		
Final dividend for financial year ended 31-Mar-21 : Nil (31-Mar-20 ₹ 2) per equity share	-	1,764.54
Interim dividend for financial year ended 31-Mar-21 : Nil (31-Mar-20 ₹ 2) per equity share	-	1,764.54
Dividend tax	-	725.58
Dividend not recognised in the financial statements		
In addition to the above dividend, since year end, the Board of directors have recommended the payment of final dividend of ₹ 2.50 per equity share (PY Nil per equity share)		

This dividend is subject to the approval of shareholders of the company in ensuing Annual General Meeting and upon approval would result in cash outgo of approx ₹ 2,397.01 Lacs

38 The Company has adopted Ind AS 116 effective annual reporting period beginning April 1, 2019 and applied the Standard to its leases retrospectively with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to opening balance of retained earnings as on April 1, 2019.

The lease payments including interest have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in balance sheet at the date of initial application.

On application of IndAs 116, the nature of expense has changed from lease rent in previous periods to depreciation cost for right of use asset and finance cost for interest accrued on lease liability.

The details of right of use asset held by the company is as follows:

(₹ in Lacs)

Particulars	As at	
	31 March 2021	31 March 2020
Balance at the beginning of the year	309.40	-
Addition during the year		402.82
Depreciation for the year	92.82	92.82
Closing balance at the end of the year	216.58	309.40

(₹ in Lacs)

Particulars	As at 31st March 2021	As at 31st March 2020
Current lease liabilities	132.35	104.02
Non-Current lease liabilities	196.63	328.32
	328.98	**432.34**

The following is movement in lease liabilities during the year ended 31st March 2021

(₹ in Lacs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Balance at the beginning of the year	432.34	524.97
Addition during the year	-	-
Finance cost accrued during the year	10.64	43.49
Deletions	0	-
Payment of lease liabilities (including interest)	114.00	136.12
Balance at the end of the year	328.98	432.34

Depreciation on right of use asset is ₹ 92.82 lacs and Interest on lease liability for year ended 31st March 2021 is Rs 10.64 lacs

Lease Contracts entered by the company majorly pertains to building taken on lease to conduct the business activities in ordinary course.

Impact of Covid 19

The leases that the company has entered with lessors towards properties used as corporate office/ offices are long term in nature and no changes in terms of those leases are expected due to Covid-19

The Table below provides details regarding the contractual maturities of lease charges as at 31st March 2021 on an undiscounted basis:

(₹ in Lacs)

Particulars	Short term lease charges payable	Long term lease Charges payable	As at 31st March 2021	As at 31st March 2020
Less than one year	67.5	156.52	224.02	206.25
Up to five year		208.7	208.7	365.22
More than five year			-	-

The company do not foresee liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

Rental expense recorded for short term lease amounted to Rs. 104.75 lacs and grouped as short term lease expense in Note No. 32 “other expense”

39 RELATED PARTY DISCLOSURES:

Related party disclosures as required by Ind AS - 24 “Related Party Disclosures” are as under:

A List of related parties and relationships

a Subsidiaries, Step-subsidiary and Associate

Subsidiaries

1 Poly Medicure (Laiyang) Co. Ltd., China
2 Poly Medicure BV, Netherlands
3 Plan 1 Health India Pvt.Ltd.

Step-Subsidiary

1 Plan 1 Health SRL, Italy (Wholly owned subsidiary company of Poly Medicure BV, Netherlands)

Associate

1 Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel & Relative

1 Mr. Himanshu Baid (Managing Director)
2 Mr. Rishi Baid (Joint Managing Director)
3 Mr. J. K. Oswal (CFO)
4 Mr. Avinash Chandra (Company Secretary)
5 Mr. Devendra Raj Mehta (Independent Director)
6 Mr. Prakash Chand Surana (Independent Director)
7 Mr. Shailendra Raj Mehta (Independent Director)
8 Dr. Sandeep Bhargava (Independent Director)
9 Mr. Alessandro Balboni (Director)
10 Mr. Amit Khosla (Independent Director) w.e.f 5th June 2020
11 Mrs. Sonal Mattoo (Independent Director) w.e.f 29th August 2020
12 Mr. J. K. Baid (Director- relative of Managing Director & Joint Managing Director)
13 Mr. Vishal Baid (President- relative of Managing Director & Joint Managing Director)
14 Mrs. Mukulika Baid (Director- relative of Managing Director & Joint Managing Director)
15 Mr. Dhruv Baid (Manager- relative of Managing Director) w.e.f 1st Feb 2021

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 Jai Chand Lal Hulasi Devi Baid Charitable Trust w.e.f 1st Sept 2020

B Transactions with related parties

(₹ in Lacs)

Particulars	Subsidiaries, Step Subsidiary and Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Sales of Goods	**1,058.84**	**831.29**			**2,984.25**	**1,141.07**
Ultra for Medical Products Egypt	840.14	801.54				
Plan 1 Health SRL, Italy	218.70	29.75				
Vitromed Healthcare					2,984.25	1,141.07
Purchases of Goods/Business support & marketing services	**205.48**	**90.05**			**90.77**	**11.30**
Plan 1 Health SRL, Italy	186.80	60.75				
Poly Medicure (Laiyang) Co. Ltd	18.68	29.30				
Vitromed Healthcare					90.77	11.30
Job work					**5,130.90**	**4,938.10**
Vitromed Health Care					5,130.90	4,938.10
Rent received					**0.20**	**0.20**
Vitromed Healthcare					0.20	0.20
Rent paid					**1.70**	**1.70**
Jai Polypan Pvt. Ltd.					1.70	1.70
CSR Expenses	**30.45**	**-**				
Jai Chand Lal Hulasi Devi Baid Charitable Trust	30.45	-				
Dividend/ Governing Council Share	**79.40**	**45.46**				
Ultra for Medical Products, Egypt	79.40	45.46				
Advance to Subsidiaries / Associates	**-**	**11.40**				
Plan 1 Health SRL, Italy	-	11.40				
Ultra for Medical Products Egypt	-	-				
Advance From Subsidiaries / Associates	**2.13**	**31.60**				
Plan 1 Health SRL, Italy	-	-				
Ultra for Medical Products Egypt	2.13	31.60				
Directors / Key Managerial Personnels' Remuneration including commission			**1,885.87**	**1,251.53**		
Mr. Himanshu Baid			916.94	599.83		
Mr. Rishi Baid			896.02	583.82		
Mr. J. K. Oswal			60.02	57.48		
Mr. Avinash Chandra			12.89	10.40		
Defined benefit obligations			**9.44**	**43.27**		
Mr. Himanshu Baid			4.45	23.26		
Mr. Rishi Baid			3.91	18.76		
Mr. J. K. Oswal			1.03	1.07		
Mr. Avinash Chandra			0.05	0.18		
Share based payment			**-**	**0.33**		
Mr. J. K. Oswal			-	0.33		

Salary and perquisites			**114.99**	**106.48**		
Mr. Vishal Baid			114.99	106.48		
Salary and perquisites			**13.24**	**-**		
Mr. Dhruv Baid			13.24	-		
Commission and Sitting fees			**101.75**	**73.25**		
Mr. J. K. Baid			12.25	11.75		
Mrs. Mukulika Baid			12.25	11.75		
Mr. Devendra Raj Mehta			13.75	13.25		
Mr. Prakash Chand Surana			13.75	12.50		
Mr. Shailendra Raj Mehta			13.00	12.00		
Dr. Sandeep Bhargava			12.75	12.00		
Mr. Amit Khosla			13.00	-		
Mrs. Sonal Mattoo			11.00	-		
Investment in Subsidiary Companies	**-**	**1.00**				
Plan 1 Health India Pvt. Ltd.	-	1.00				
Management Fee			**192.51**	**209.31**		
Mr. Alessandro Balboni			192.51	209.31		

Outstanding balances at the year end

(₹ in Lacs)

Particulars	Subsidiaries and Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Dividend / Share Governing Council outstanding	**65.07**	**45.46**				
Ultra for Medical Devices	65.07	45.46				
Directors' Remuneration / Salary payable			**570.64**	**331.90**		
Mr. Himanshu Baid			279.01	161.23		
Mr. Rishi Baid			279.78	162.70		
Mr. Vishal Baid			4.50	4.33		
Mr. Dhruv Baid			4.97	-		
Mr. J. K. Oswal			1.84	3.10		
Mr. Avinash Chandra			0.54	0.54		
Commission Payable			**66.60**	**48.60**		
Mr. J. K. Baid			8.33	8.10		
Mrs. Mukulika Baid			8.33	8.10		
Mr. Devendra Raj Mehta			8.33	8.10		
Mr. Prakash Chand Surana			8.33	8.10		
Mr. Shailendra Raj Mehta			8.33	8.10		
Dr. Sandeep Bhargava			8.33	8.10		
Mr. Amit Khosla			8.33	-		
Mrs. Sonal Mattoo			8.33	-		
Management Fee & Others Payable			**16.48**	**13.99**		
Mr. Alessandro Balboni			16.48	13.99		

Particulars	Subsidiaries and Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Trade Receivable	**527.13**	**516.80**			**-**	**26.96**
Vitromed Healthcare					-	26.96
Plan 1 Health SRL , Italy	144.72	21.51				
Ultra for Medical Products	382.41	495.29			-	-
Trade Payable / Payable for capital goods/ Rent payable	**41.24**	**48.40**			**0.28**	**406.30**
Vitromed Healthcare					-	406.30
Poly Medicure (Laiyang) Co. Ltd	-	-			-	-
Jai Polypan Pvt. Ltd.					0.28	-
Plan 1 Health SRL, Italy	39.11	16.80			-	-
Advance from customer						
Ultra for Medical Products	2.13	31.60				
Advance against Goods/Services						
Plan 1 Health SRL, Italy	-	11.40				

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Net profit after tax available for equity share holders (₹ In lacs)	12,951.17	9,238.28
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	8,90,83,537	8,82,46,980
Basic Earnings per Share (in ₹)	14.54	10.47
Diluted Earnings per Share		
Weighted Average no. shares outstanding during the year	8,90,83,537	8,82,46,980
Effect of dilutive issue of stock options	71,886	34,378
Weighted Average no. shares outstanding for diluted EPS	8,91,55,424	8,82,81,358
Diluted Earnings per Share (in ₹)	14.53	10.46

41 EMPLOYEE BENEFIT:

As per Ind AS - 19 “Employee Benefits”, the disclosures are as under:

I Defined Contribution Plan - Provident Fund

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

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Employers’ contribution to provident fund * #	573.09	583.46

* included in “contribution to provident fund and others” under employee benefit expenses (refer note no. 28)

excluding contribution to provident fund transferred to Research and Development Expenses ₹ 12.74 lacs (PY ₹ 12.56 lacs).

II Defined Benefit Plan

The company has formed a employees gratuity trust which is administrated by Life Insurance Corporation of India (LIC). The company makes contribution towards funding the defined benefit plan pertaining to gratuity to LIC. The Leave Encashment liability is not contributed to any fund and is unfunded. The present value of the defined benefit obligation and related current cost are measured using projected unit credit method with actuarial valuation being carried out at balance sheet date. The amount recognised are as under:

a) Gratuity (Funded)

(i) Present Value of Defined benefit Obligation

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Obligations at year beginning	**333.23**	**321.58**
Service Cost - Current	57.03	50.93
Service Cost - Past	-	-
Interest expenses	23.06	24.60
Actuarial (gain) / Loss on PBO	(14.53)	(38.98)
Benefit payments	(16.50)	(24.91)
Addition due to transfer of employee	-	-
Obligations at year end	**382.28**	**333.23**

(ii) Change in plan assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Fair value of plan assets at the beginning of the period	**161.91**	**157.55**
Actual return on plan assets	11.62	12.16
Less- FMC Charges	(0.96)	(0.90)
Employer contribution	125.00	18.00
Benefits paid	(16.50)	(24.91)
Fair value of plan assets at the end of the period	**281.06**	**161.91**

(iii) Assets and Liabilities recognized in the Balance Sheet

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Present Value of the defined benefit obligations	382.28	333.23
Fair value of the plan assets	281.06	161.91
Amount recognized as Liability	**101.22**	**171.32**

(iv) Defined benefit obligations cost for the year:

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Service Cost - Current	57.03	50.93
Service Cost - Past	-	-
Interest Cost	11.86	12.55
Expected return on plan assets	-	-
Actuarial (gain) loss	-	-
Net defined benefit obligations cost	**68.88**	**63.48**

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	14.53	38.98
Actuarial gain /(loss) for the year on Asset	(0.55)	(0.79)
Unrecognized actuarial gain/(loss) for the year	**13.98**	**38.19**

(vi) Investment details of Plan Assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
The details of investments of plan assets are as follows:		
Funds managed by Insurer	100%	100%
Total	**100%**	**100%**

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vii) Actuarial assumptions:

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Discount Rate per annum	6.79%	6.92%
Future salary increases	4.00%	4.00%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(viii) Demographic Assumptions:

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

(₹ in Lacs)

Particulars		Year ended	
		31 March 2021	31 March 2020
i)	Retirement Age (Years)	60.00	60.00
ii)	Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	
iii)	Attrition at Ages	" Withdrawal Rate (%) "	
	Up to 30 Years	3.00	3.00
	From 31 to 44 years	2.00	2.00
	Above 44 years	1.00	1.00

(ix) Amount recognized in current year and previous four years:

(₹ in Lacs)

Particulars	Year ended				
	31-03-2021	31-03-2020	31-03-2019	31-03-2018	31-03-2017
Defined benefit obligations	382.28	333.23	321.58	268.28	260.83
Plan assets	(281.06)	(161.91)	(157.55)	(137.22)	(5.00)
Deficit /(Surplus)	**101.22**	**171.32**	**164.03**	**131.06**	**255.83**

(x) Expected Contribution to the Fund in the next year

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Service Cost	72.35	65.87
Net Interest Cost	6.87	11.86
Expected contribution for next annual reporting period	**79.23**	**77.73**

(xi) Sensitivity Analysis

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is :

(₹ in Lacs)

Particulars	Change in Assumption		Increase in Assumption			Decrease in Assumption		
	31-03-2021	31-03-2020	Impact	31-03-2021	31-03-2020	Impact	31-03-2021	31-03-2020
Discount Rate per annum	0.50%	0.50%	Decrease by	(23.37)	(20.65)	Increase by	25.72	22.75
Future salary increases	0.50%	0.50%	Increase by	24.88	21.85	Decrease by	(22.71)	(19.91)

The above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

(xii) Maturity Profile of Defined Benefit Obligation

(₹ in Lacs)

Sr. No.	Year	Amount
a	0 to 1 Year	25.66
b	1 to 2 Year	6.04
c	2 to 3 Year	6.28
d	3 to 4 Year	7.74
e	4 to 5 Year	11.13
f	5 to 6 Year	7.70
g	6 Year onwards	317.74

(xiii) Risk exposure

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

A) **Salary Increases:** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) **Investment Risk:** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) **Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) **Mortality & disability:** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) **Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

b) Leave Encashment (Unfunded)

The Leave Encashment liability of ₹ 174.03 lacs form part of long term provision ₹ 155.42 Lacs (PY ₹ 143.67 Lacs) and short term provision ₹ 18.61 Lacs (PY ₹ 18.05 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

42 Borrowing cost of ₹ 4.15 lacs (Previous Year ₹ 5.97 lacs) have been included in capital work in progress.

43 SEGMENT INFORMATION:

Description of segment and principal activity.

The company is primarily in the business of manufacture and sale of medical devices. Operating segments are reported in the manner consistent with internal reporting to Managing director of the company. The company has regular review procedures in place and Managing director reviews the operations of the company as a whole, Hence there are no reportable segments as per Ind AS 108 Operating segment.

Information about Geographical areas

The following information discloses revenue from customers based on geographical areas.

i) Revenue on product group wise (Ind AS 108, Para 32)

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Medical Devices	73,819.47	62,908.94
Total	**73,819.47**	**62,908.94**

ii) Revenue as per geographical area (Ind AS 108, Para 33 (a))

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
With in India	22,561.90	18,683.90
Outside India	51,257.57	44,225.04
Total	**73,819.47**	**62,908.94**

iii) None of the non-current assets (other than financial instruments, investment in subsidiaries/ associates) are located outside India.

iv) None of the customers of the company individually account for 10% or more sale.

v) The Company is manufacture of medical devices and has concluded that owing to nature of products the company manufactures, impact of COVID-19 is not material based on revenue estimates.

44 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of expenditure incurred on CSR are as under:

(₹ in Lacs)

S. No.	Particulars	Year ended	
		31 March 2021	31 March 2020
a	The Gross amount required to be spent by the company during the year as per Section 135 of Companies Act 2013 read with Schedule VII	211.78	174.72
b	Amount spent during the year on :		
	i Construction / acquisition of any assets	-	-
	ii On purposes other than (i) above	247.72	237.72
c	Unspent amount in CSR	-	-
d	The breakup of expenses included in amount spent are as under:		
	Particulars		
	Animal protection		0.50
	On food relief activity		1.00
	On promoting education	7.55	43.31
	Social welfare	26.63	0.78
	On promotion of Healthcare	-	3.00
	Promoting gender equality & empower women	-	1.02
	On Covid 19 related assistance/Specific products	123.41	-
	Contribution to CSR Eligible Trust, Foundation & Society	90.14	188.10
	Total	**247.72**	**237.72**

45 SHARE BASED PAYMENTS:

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

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

‘The exercise period commences from the date of vesting of the options and expires at the end of 3 months from the date of such vesting or such extended period. Out of total 20,100 Equity Shares vested during 2018-19, 10,050 Equity Shares of ₹ 5 each was exercised during 2018-19 and balance 10,050 equity shares in 2019-20.

‘The company has also formulated “Poly Medicure Employee Stock Option Scheme, 2016 (ESOP 2016)” duly approved by the share holders in the annual general meeting held on 27th Sept 2016 in accordance of which the ESOP Committee of Board of Directors of the company held on 27th Sept 2016 has granted 42950 equity shares to eligible employees on the following terms & Conditions:

All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting, failing which the option shall lapse, or such other date as decided by the compensation committee.
Provided, however that in case of cessation of employement,the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.

The vesting period for the conversion of options are as follows:

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

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

‘The company has also formulated “Poly Medicure Employee Stock Option Scheme, 2020 (ESOP 20120)” duly approved by the share holders in the annual general meeting held on 29th Sept 2020 in accordance of which the ESOP Committee of Board of Directors of the company held on 6th November 2020 has granted 63100 equity shares to eligible employees on the following terms & Conditions:

All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting, failing which the option shall lapse, or such other date as decided by the compensation committee.

Provided, however that in case of cessation of employment, the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.

The vesting period for the conversion of options are as follows:

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

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

a Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOP 2015)

Financial Year	**Number**	**Financial year of vesting**	**Exercise price**	**Fair value**
(Year of Grant)				
2016-17	23500	2018-19	50	296

No Stock option is pending against ESOP scheme 2015

b Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOP 2016)

Financial Year	**Number**	**Financial year of vesting**	**Exercise price**	**Fair value**
(Year of Grant)				
2019-20	42950	2021-22 2022-23	50	147

c Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOP 2020)

Financial Year	**Number**	**Financial year of vesting**	**Exercise price**	**Fair value**
(Year of Grant)				
2020-21	63100	2022-23 2023-24	100	374

d Movement of share options during the year

Particulars	**As at 31st March 2021**		**As at 31st March 2020**	
	Number of share options	**Exercise Price**	**Number of share options**	**Exercise Price**
Balance at the beginning of the year	41,550	50	10,050	50
Granted during the year (ESOP-2020)	63,100	100		
Granted during the year (ESOP-2016)	-	-	42,950	50
Forfeited during the year	1,850	-	1,400	-
Exercised during the year (ESOP-2015)	-	-	10,050	50
Expired / Lapsed during the year	-	-	-	-
Balance Options to be exercised at the end of the year	1,02,800	50 & 100	41,550	50

e Compensation expenses arising on account of share based payments

(₹ in Lacs)

Particulars	**Year ended**	
	31 March 2021	**31 March 2020**
Share based payment expenses to employees	64.73	13.89
Total	**64.73**	**13.89**

e Fair value on grant date

The fair value on grant date is determined using Black Scholes Model which takes into account exercise price, terms of option, share price at grant date and expected price volatility of the underline shares, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted

	Particulars	ESOS 2015	ESOS 2016	ESOS 2020
a	Exercise price	50	50	100
b	Grant date	2nd June 2016	3rd June 2019	29th Sep 2020
c	Vesting year	2018-19	2021-22	2022-23
			2022-23	2023-24
d	Share price at grant date	350	195	463
e	Expected price volatility of the company share	20% to 25%	20% to 25%	20% to 25%
f	Expected dividend yield	1.18%	0.86%	0.43%
g	Risk free interest rate	6.50%	6.92%	6.00%

The expected price volatility is based on the historic volatility.

46. During the year ended 31st March, 2021, the company has issued 76,33,587 equity shares of ₹ 5/- each at premium of ₹ 519/- each (Issue Price per share ₹ 524/- each) amounting to ₹ 40,000 lacs to Qualified Institutional Investors on QIP basis. The proceeds of QIP have been utilized as per details given below:

S.No	Particulars	Amount (₹ in Lacs)
1	QIP share issue expenses (including GST of ₹ 105.59 lacs)	799.09
2	Repayment/Prepayment of debts and working capital	6,235.8
3	Amount temporarily invested in fixed deposits and liquid mutual funds pending utilisation	32,965.11
	Total	**40,000.00**

47. Events after the reporting date

Dividends declared by the company are based on the profits available for distribution. On 24th May 2021, the Board of directors have proposed a final dividend of ₹ 2.50/- per share in respect of the year ended March 31 2021 subject to approval of shareholders at the Annual General Meeting. The proposal is subject to approval of shareholders at the Annual General Meting, and if approved, would result in a cash outflow approximately ₹ 2397.01 Lacs..

48. Standards issued and amended but not effective

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments there to. There is no such notification which would have been made applicable from 1 April,2021.

49. Previous year figures have been regrouped or reclassified to confirm current year classification.

As per our auditor's report of even date annexed

For M C BHANDARI & Co. (Reg no.303002E)
Chartered Accountants

For and on behalf of the Board of Directors

Rabindra Bhandari
Partner
Membership No. 097466

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

Place : New Delhi
Date : 24.05.2021

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POLY MEDICURE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Poly Medicure Limited ("the Holding Company") its foreign subsidiaries and subsidiary company incorporated in India (the Company and its subsidiaries together referred to as "the Group") its associate as per list annexed, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows including its associate for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit report of other auditors referred to in "other matter" is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit report of other auditors referred to in "other matter" is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the Key Audit Matter was addressed
Goodwill The Group has recognised goodwill on consolidation amounting to ₹ 2858.11 lacs. The group conducts annual impairment testing of goodwill using discounted cash flow method. Significant judgements are used to estimate the recoverable amount of goodwill. The determination of recoverable amount involves use of several key assumptions including estimate of future sales volume, price, operating margin and discount rate and is, hence, considered as a key audit matter. The Group has assessed that no impairment in the value of goodwill is necessitated. (Refer Note 47)	We have assessed business plan and future cash flows of Step subsidiary company to evaluate management position on non-impairment in value of goodwill on consolidation. Our audit procedures included following: Evaluated the design and tested operating effectiveness of management control in assessing carrying amount of goodwill. Obtained computation of recoverable amount and tested reasonableness of key assumptions Obtained & Evaluated management sensitivity analysis to ascertain impact of changes in key assumptions for determining downside impact on recoverable amount.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of the audit report.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, as for the year ended March 31, 2021 the other information has not yet been prepared and not yet approved by Board of Directors.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the directors of Holding company.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls. There is only one subsidiary company incorporated in India and two subsidiary companies are incorporated out of India.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statement which have been audited by other auditors situated outside India, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of holding company and subsidiary company incorporated in India included in financial statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of one foreign subsidiary, whose financial statements reflect total assets of ₹1652.48 lacs as at 31st March 2021 and total revenue of ₹1515.11 lacs for the year then ended on that date and financial statements of one foreign associate in which the share of profit of the Group is ₹331.07 lacs. The financial statements of one foreign subsidiary namely Poly Medicure (Laiyang) Co. Ltd., China and of one associate namely Ultra for Medical Products (UMIC), Egypt, have been audited by other auditors outside India whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

The Financial Statement of one foreign subsidiary (as Consolidated) namely Poly Medicure BV Netherlands in which financial statement of Step Subsidiary Plan 1 Health are consolidated and whose consolidated financial statement/information reflect total assets of ₹ 5123.93 Lacs as at 31st March' 2021, and total consolidated revenue of ₹ 2812 Lacs for the year ended on that date as considered in the Consolidated financial statements. These consolidated financial statement/financial information have not been audited as based on article 2.396 Section 6 of Dutch Civil Code, the said foreign subsidiary company is exempt from the obligation to have the annual accounts (including consolidated accounts) audited by the auditor, and are, therefore, management certified and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosure included in respect of the Subsidiary so far as it relates to the aforesaid subsidiary is based solely on the basis of management certified consolidated financial statements.

In respect of subsidiaries/ associate located outside India whose financial result and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditor/ management certified. The holding company's management has converted the financial results of such subsidiaries/associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the holding company's management. Our opinion in so far as it relates to the balances and affair of such subsidiaries/ associate located outside India is based on the report of other auditor/ management certified and the conversion adjustment prepared by the management of the holding company and audited by us.

Our Opinion on Consolidated financial statements and our report on other legal and regulatory requirements is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statement/financial information as certified.

The Consolidated annual financial results includes the results for the quarter ended March 31,2021 being the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were limited reviewed by us.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

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

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

   e) On the basis of the written representations received from the directors of the holding Company as on March 31, 2021 taken on record by the Board of Directors of the holding Company, and of subsidiary company incorporated in India, none of the directors of the holding Company and its subsidiary company incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy and the operating effectiveness of the internal financial control over financial reporting with reference to these consolidated financial statement of the Holding company and its subsidiary company incorporated in India, refer to our separate report in annexure 1 to this report.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditors on separate financial statements as also other financial information of subsidiaries, associates as noted in "other Matter'' paragraph.

      i. The consolidated financial statements discloses impact of pending litigations on the consolidated financial position of the Group.

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

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

For **M C Bhandari & Co.**
Chartered Accountants
Firm's registration number: 303002E

Rabindra Bhandari
Partner
Membership number: **097466**
UDIN: 21097466AAAABR9552

Place: New Delhi
Date: 24th May 2021

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of Poly Medicure Limited ("the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal financial Controls over financial Reporting

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

Opinion

In our opinion, the Holding Company and subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **M C Bhandari & Co.**
Chartered Accountants
Firm's registration number: 303002E

Rabindra Bhandari
Partner
Membership number: **097466**
UDIN: 21097466AAAABR9552

Place: New Delhi
Date: 24th May 2021

Annexure I: List of entities consolidated as at 31 March 2021

1.	Poly Medicure (Laiyang) Co. Ltd.- China - Wholly owned Subsidiary
2.	Poly Medicure BV - Netherlands (Consolidated) – Wholly owned Subsidiary
3.	Ultra for Medical Products Co. (UMIC) – Egypt – Associate
4.	Plan 1 Health India Pvt. Ltd. Subsidiary

Poly Medicure Limited

Consolidated Balance Sheet as at 31 March, 2021

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
1. Non-Current assets			
(a) Property, plant and equipment	2	37,410.71	31,241.09
(b) Capital work-in-progress		1,474.46	1,669.64
(c) Right of Use	2	216.58	309.40
(d) Investment Properties	3	452.82	345.91
(e) Goodwill on consolidation		2,858.11	2,858.11
(f) Intangible assets	2	1,636.24	1,540.49
(g) Intangible assets under development		646.51	800.94
(h) Financial Assets			
(i) Investment in associates	4	940.34	723.47
(ii) Other Investments	5	-	222.99
(iii) Other financial assets	7	5,348.07	3,497.31
(i) Other non-current assets	8	810.94	1,744.32
Total non-current assets		**51,794.78**	**44,953.67**
2 Current assets			
(a) Inventories	9	12,648.20	11,209.49
(b) Financial assets			
(i) Investments	5	34,501.25	1,592.21
(ii) Trade receivables	10	15,649.62	12,711.71
(iii) Cash and cash equivalents	11	495.46	485.74
(iv) Bank balances other than (iii) above	12	2,460.87	2,049.78
(v) Loans	6	33.30	13.71
(vi) Other financial assets	7	416.74	403.81
(c) Other current assets	8	4,372.83	3,312.35
Total current assets		**70,578.27**	**31,778.80**
TOTAL ASSETS		**1,22,373.05**	**76,732.47**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	4,794.03	4,412.35
(b) Other equity	14	91,763.02	39,070.03
Equity attributable to shareholders of the company		**96,557.05**	**43,482.38**

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	6,327.71	11,441.04
(ii) Lease Liabilities		196.63	328.32
(iii) Other financial liabilities	16	87.56	103.35
(b) Provisions	17	326.73	380.48
(c) Government Grants		433.26	220.48
(d) Deferred tax liabilities (Net)	18	1,304.45	1,448.92
Total non-current liabilities		**8,676.34**	**13,922.59**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,881.99	5,317.60
(ii) Lease Liabilities		132.35	104.02
(iii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		1,047.72	861.95
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,404.29	5,774.11
(iv) Other financial liabilities	21	5,325.30	5,498.22
(b) Other current liabilities	22	1,232.52	1,622.59
(c) Provisions	17	44.27	41.97
(d) Current tax liabilities (net)	23	71.22	107.04
Total current liabilities		**17,139.66**	**19,327.50**
TOTAL LIABILITIES		**1,22,373.05**	**76,732.47**
Significant accounting policies	a-ab		
The accompanying notes are integral part of the consolidated Financial Statements	1 - 51		

As per our auditor's report of even date annexed

For M C BHANDARI & Co. (Reg no.303002E)
Chartered Accountants

For and on behalf of the Board of Directors

Rabindra Bhandari
Partner
Membership No. 097466

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

Place : New Delhi
Date : 24.05.2021

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited

Consolidated Statement of Profit and Loss for the year ended 31 March, 2021

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
INCOME			
Revenue from operations	24	78,646.96	68,723.90
Other income	25	1,841.50	1,846.34
Total Revenue		**80,488.46**	**70,570.24**
EXPENSES			
Cost of materials consumed	26	26,657.94	22,522.01
Purchases of Stock-in-Trade		308.32	70.55
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(780.56)	(888.06)
Employee benefits expense	28	14,175.70	13,876.44
Research and development expenses	29	1,314.45	1,194.24
Finance cost	30	851.18	1,831.43
Depreciation and amortization expense	31	4,752.20	4,052.78
Other expenses	32	15,534.90	15,552.59
Total Expenses		**62,814.13**	**58,211.98**
Profit before tax, and share of net profit from associates		**17,674.33**	**12,358.26**
Share of profit from associates		331.07	214.07
Profit before tax		**18,005.40**	**12,572.33**
Tax expenses:			
(1) Current tax		4,441.52	3,317.28
(2) Deferred tax		(8.34)	(384.10)
(3) Tax adjustment for earlier years (net)		(15.22)	51.36
Total tax expenses	33	**4,417.96**	**2,984.54**
Profit after tax		**13,587.44**	**9,587.79**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) of defined benefit plan		13.98	38.19
Tax impacts on above		(3.52)	(9.61)
Other comprehensive income for the year (net of tax)		**10.46**	**28.58**
Total comprehensive income for the year		**13,597.90**	**9,616.37**
Profit for the year attributable to:			
Equity holders of the parent		13,587.44	9,587.79
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Equity holders of the parent		13,597.90	9,616.37
Non-controlling interests		-	-
Earnings per equity share: (Face value ₹ 5 each) in rupees	40		
Basic		15.25	10.86
Diluted		15.24	10.86
Significant accounting policies	a-ab		
The accompanying notes are integral part of the consolidated financial statements	1 - 51		

As per our auditor's report of even date annexed

For M C BHANDARI & Co. (Reg no.303002E)
Chartered Accountants

For and on behalf of the Board of Directors

Rabindra Bhandari Partner Membership No. 097466	Himanshu Baid Managing Director DIN: 00014008	Rishi Baid Joint Managing Director DIN: 00048585
Place : New Delhi Date : 24.05.2021	J.K.Oswal CFO	Avinash Chandra Company Secretary

Poly Medicure Limited

Consolidated Statement of Cash Flow for the year ended 31 March 2021

(₹ in Lacs)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax and exceptional items	**18,005.40**	**12,572.33**
	Adjusted for:		
	Depreciation and amortisation	4,752.20	4,052.78
	Share in Income of Associates	(331.07)	(214.07)
	Interest expense	851.18	1,831.43
	Interest income	(309.10)	(484.05)
	Loss/(profit) on sale of fixed assets, net	(0.72)	(13.04)
	Debts/advances written off	17.99	30.73
	Provision for doubtful debts and advances	29.96	29.34
	Credit balances no longer required, written back	(1.67)	(53.79)
	Deferred employee compensation expenses (net)	64.73	13.89
	Unrealised foreign exchange (gain) /loss	10.29	(407.66)
	Other Comprehensive Income	13.98	38.19
	Ind As Adjustment for Unrealised Gain on Mutual Fund	(351.36)	(64.40)
	Ind As Adjustment on Govt. Grant & Subsidy	(109.41)	(64.65)
	Ind As Adjustment for Interest Income on Financial Assets	(28.16)	(3.82)
	Ind As Adjustment on Forward Contracts (Net)	(215.76)	334.68
	Ind As Adjustment for Deferred Processing fees	31.17	27.68
	Ind As Adjustment for Interest on Security Deposit against Rent	3.88	3.88
	Other adjustments including minority	20.31	1.62
	Operating profit before working capital changes	**22,453.84**	**17,631.07**
	Movement in working capital		
	Decrease/(increase) in inventories	(1,438.71)	(2,830.40)
	Decrease/ (increase) in sundry debtors	(3,386.24)	589.96
	Decrease/(Increase) in financial assets	77.92	(416.40)
	Decrease/(Increase) in other assets	(1,041.62)	(398.41)
	Increase/ (decrease) in trade payables	5.95	1,020.22
	Increase/ (decrease) in other financial liabilities	105.68	(27.86)
	Increase/ (decrease) in other liabilities	(390.07)	780.74
	Increase/ (decrease) in provisions	(51.45)	74.96
	Cash generated from operations	**16,335.30**	**16,423.89**
	Direct taxes paid (net of refunds)	(4,462.12)	(3,593.48)
	Net cash from operating activities	**11,873.18**	**12,830.41**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(9,513.12)	(10,602.16)
	Purchase of Investments (net)	(32,334.69)	(1,500.00)
	Proceeds from / (Investment in) Fixed Deposits (net)	(2,108.16)	818.25
	Proceeds from sale of fixed assets	61.44	34.04
	Dividend Income	59.79	37.78
	Interest income	276.44	486.33
	Net cash used for investing activities	**(43,558.30)**	**(10,725.76)**

(₹ in Lacs)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from (Repayment) of borrowings / deferred payment liabilities (net)	(6,645.18)	3,329.48
	Proceeds from Share Allotments	40,000.00	5.03
	Share issue expenses adjusted againts securities premium (net off GST of ₹ 105.59 lacs)	(693.50)	
	Repayment of Lease Liabilities (including interest)	(114.00)	(136.11)
	Dividend and tax thereon Paid	-	(4,247.46)
	Interest / Finance charges paid	(852.47)	(1,001.61)
	Net cash from (used for) financing activities	**31,694.85**	**(2,050.67)**
	Net increase in cash and cash equivalents (A+B+C)	**9.72**	**53.98**
	Cash and cash equivalents at the beginning of the year	**485.74**	**431.76**
	Cash and cash equivalents at the end of the year	**495.46**	**485.74**
	COMPONENTS OF CASH AND CASH EQUIVALENTS		
	Balances with Banks in current account	481.60	406.62
	Cheques, drafts on hand	-	1.00
	Cash on hand (including foreign currency notes)	13.86	20.74
	Fixed deposits with banks, having original maturity of three months or less	-	57.38
	Cash and cash equivalents at the end of the year	**495.46**	**485.74**

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES	Year ended 31 March 2021	Year ended 31 March 2020
Cash and cash equivalents at the end of the year as per above	**495.46**	**485.74**
Add: Balance with banks in dividend / unclaimed dividend accounts	30.82	30.55
Add: Fixed deposits with banks, having maturity period for less than twelve months	2,430.05	2,019.23
Add: Fixed deposits with banks (lien marked)	697.03	1,553.05
Add: Fixed deposits with banks, having maturity period for more than twelve months	4,145.50	1,592.41
Cash and bank balances as per balance sheet (refer note 7, 11 and 12)	**7,798.86**	**5,680.98**

DISCLOSURE AS REQUIRED BY IND AS 7

Reconciliation of liabilities arising from financing activities

31 March, 2021	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	**9,172.16**	(1,582.88)	(119.83)	**7,469.45**
Long term secured borrowing	**11,057.41**	(5,062.30)	(51.03)	**5,944.08**
Total liabilities from financing activities	**20,229.57**	**(6,645.18)**	**(170.86)**	**13,413.53**

31 March, 2020	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	**6,934.31**	1,974.83	263.02	**9,172.16**
Long term secured borrowing	**9,137.97**	1,354.65	564.79	**11,057.41**
Total liabilities from financing activities	**16,072.28**	**3,329.48**	**827.81**	**20,229.57**

Notes: This is the Cash Flow Statement referred to in our report of even date.
The above Consolidated cash Flow statement should be read in conjunction with the accompanying notes

As per our auditor's report of even date annexed

For M C BHANDARI & Co. (Reg no.303002E)
Chartered Accountants

For and on behalf of the Board of Directors

Rabindra Bhandari
Partner
Membership No. 097466

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

Place : New Delhi
Date : 24.05.2021

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March 2021

A. Equity share capital

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	4,412.35	4,411.85
Changes in equity share capital during the year	381.68	0.50
At the end of the year	**4,794.03**	**4,412.35**

B. Other equity

(₹ in Lacs)

Particulars	Reserves and surplus								Other comprehensive income	Total
	Capital Reserve	Capital reserve on change in interest in equity of associates	Securities Premium	Share Based Payment Reserve Account	Foreign currency fluctuation reserve	General Reserve	Retained Earnings	Share in reserve in associates	Re-measurement of defined benefit plan	
Balance as at 1 April 2019	46.98	248.51	34.67	30.15	460.71	16,134.83	16,727.76	26.32	15.23	33,725.15
Transitional impact upon initial adoption of Ind As 116							(79.86)			(79.86)
Restated Balance as at 1 April 2019	**46.98**	**248.51**	**34.67**	**30.15**	**460.71**	**16,134.83**	**16,647.90**	**26.32**	**15.23**	**33,645.29**
Profit for the year							9,587.79			9,587.79
Received during the year			34.67							34.67
Other comprehensive income (net of taxes)									28.59	28.59
Addition in opening balance on account of subsidiary							18.75			18.75
Transfer from retained earnings to General reserve						2,500.00	(2,500.00)			-
Addition (deletion) during the year (Net of lapses)				(16.26)						(16.26)
Final Dividend / Dividend tax adjusted							(2,127.73)			(2,127.73)
Interim dividend and tax thereon, declared and paid during the year							(2,127.73)			(2,127.73)
Addition during the year		161.26			(149.09)			14.49		26.66
Balance as at 31 March 2020	**46.98**	**409.77**	**69.34**	**13.89**	**311.62**	**18,634.83**	**19,498.98**	**40.81**	**43.82**	**39,070.03**
Balance as at 1 April 2020	**46.98**	**409.77**	**69.34**	**13.89**	**311.62**	**18,634.83**	**19,498.98**	**40.81**	**43.82**	**39,070.03**
Profit for the year							13,587.44			13,587.44
Securities Premium received during the year (net of share issue expenses adjusted)	-		39,064.45							39,064.45
Other comprehensive income (net of taxes)									10.46	10.46
Transfer from retained earnings to General reserve						2,500.00	(2,500.00)			-
Addition (deletion) during the year (Net of lapses)				64.74						64.74
Share from associate adjusted							(169.89)			(169.89)
Addition during the year		124.98			0.69			10.11		135.78
Balance as at 31 March 2021	**46.98**	**534.75**	**39,133.79**	**78.63**	**312.31**	**21,134.83**	**30,416.53**	**50.92**	**54.28**	**91,763.02**

Note:

General Reserve has been created by transfer out of profit generated by the company and is available for distribution to shareholders.

Notes on consolidated financial statement for the year ended 31st March, 2021

2 PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total Tangible	Software	Patent & Trade Marks	Total Intangible	Net Assets
Gross Carrying Value as on 01.04.2019	**1,590.74**	**862.18**	**6,017.55**	**34,844.14**	**544.02**	**965.26**	**900.91**	**45,724.80**	**821.19**	**1,379.05**	**2,200.24**	**47,925.04**
Additions during the year	1,448.50	-	1,061.86	6,124.37	43.61	116.32	148.73	8,943.39	121.89	280.28	402.17	9,345.56
Deductions/Adjustments	-	-	(7.67)	330.25	-	33.55	73.77	429.90	16.66	-	16.66	446.56
Gross Carrying Value as on 31.03.2020	**3,039.24**	**862.18**	**7,087.08**	**40,638.26**	**587.63**	**1,048.03**	**975.87**	**54,238.29**	**926.42**	**1,659.33**	**2,585.75**	**56,824.04**
Accumulated Depreciation as on 01.04.2019	**-**	**59.77**	**1,144.80**	**17,055.13**	**334.72**	**692.53**	**372.43**	**19,659.38**	**368.92**	**480.68**	**849.60**	**20,508.98**
Depreciation for the year	-	9.28	217.52	3,266.93	38.25	94.80	114.89	3,741.67	91.62	120.52	212.14	3,953.81
Deductions/Adjustments	-	-	(2.97)	311.49	-	33.32	62.01	403.85	16.48	-	16.48	420.33
Accumulated Depreciation as on 31.03.2020	**-**	**69.06**	**1,365.29**	**20,010.57**	**372.97**	**754.01**	**425.31**	**22,997.21**	**444.06**	**601.20**	**1,045.26**	**24,042.47**
Carrying Value as on 31.03.2020	**3,039.24**	**793.12**	**5,721.79**	**20,627.69**	**214.66**	**294.02**	**550.56**	**31,241.09**	**482.36**	**1,058.13**	**1,540.49**	**32,781.57**
Gross Carrying Value as on 01.04.2020	**3,039.24**	**862.18**	**7,087.08**	**40,638.26**	**587.63**	**1,048.03**	**975.87**	**54,238.29**	**926.42**	**1,659.33**	**2,585.75**	**56,824.04**
Additions during the year	1,068.37	-	1,399.46	8,003.35	35.30	88.36	36.47	10,631.31	11.07	335.04	346.11	10,977.41
Deductions/Adjustments	-	-	-	140.89	-	47.83	37.46	226.18	50.52	-	50.52	276.70
Gross Carrying Value as on 31.03.2021	**4,107.61**	**862.18**	**8,486.54**	**48,500.72**	**622.93**	**1,088.56**	**974.88**	**64,643.42**	**886.96**	**1,994.37**	**2,881.33**	**67,524.75**
Accumulated Depreciation as on 01.04.2020	**-**	**69.06**	**1,365.29**	**20,010.57**	**372.97**	**754.01**	**425.31**	**22,997.21**	**444.06**	**601.20**	**1,045.26**	**24,042.47**
Depreciation for the year	-	9.28	252.75	3,874.77	41.22	108.85	114.58	4,401.45	93.09	156.79	249.88	4,651.33
Deductions/Adjustments	-	-	-	94.83	-	44.57	26.55	165.95	50.05	-	50.05	216.00
Accumulated Depreciation as on 31.03.2021	**-**	**78.34**	**1,618.04**	**23,790.51**	**414.19**	**818.29**	**513.34**	**27,232.71**	**487.10**	**757.99**	**1,245.09**	**28,477.80**
Carrying Value as on 31.03.2021	**4,107.61**	**783.84**	**6,868.50**	**24,710.21**	**208.74**	**270.27**	**461.54**	**37,410.71**	**399.86**	**1,236.38**	**1,636.24**	**39,046.95**

Notes: 2.1 Borrowing cost of ₹ 4.15 lacs (previous year ₹ 5.97 Lacs) have been included in additions to Fixed Assets.

2.2 The estimated amortisation in intangible assets for the period subsequent to 31st March 2021 is as follows:

(₹ in Lacs)

Year Ending March 31	Amortisation Expense
2022	232.23
2023	224.99
2024	213.38
Thereafter	965.63

2.3 Right of Use Asset

(₹ in Lacs)

Balance as at 1st April 2020	309.40
Depreciation for the year	92.82
Closing balance as at 31st March 2021	216.58

3. INVESTMENT PROPERTIES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Gross balance at beginning	372.74	372.74
Additions during the year	114.95	-
Disposals / Deductions	-	-
Depreciation for the year	8.05	6.15
Accumulated Depreciation	(34.87)	(26.83)
Net balance at the end of reporting year	**452.82**	**345.91**

Fair Value	426.52	331.34

Amount recognised in Statement of Profit & Loss for Investment Properties	Year ended 31 March 2021	Year ended 31 March 2020
Rental Income	**7.18**	**9.18**

The investment properties are leased to tenants under short term cancellation lease with rental payable on monthly basis.

Note 1: The investment properties consist of residential properties in India and have been categorised as investment properties based on nature of its uses. There has been no change in the valuation method adopted.

Note 2: The fair value of Investment properties has been determined on the basis of available circle rates of the property of the concerned registration authority and has been categorised in level 3 fair value.

Note 3: The conveyance deed of four (PY one) Investment properties valued at ₹ 270.53 Lacs (PY ₹ 160.22 Lacs) are yet to be executed in favor of the company.

4. INVESTMENT IN ASSOCIATES

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
(valued at cost unless stated otherwise)				
Unquoted equity instruments - fully paid				
Investment in associates	-	-		
126,500 (previous Year 96,600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	940.34	723.47		
Total	**940.34**	**723.47**		

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 20
Aggregate amount of Unquoted Investment	940.34	723.47		
Aggregate provision for diminuation in the value of Investment	-	-		
Category wise summary:				
Financial assets measured at Equity method (net of provision)	940.34	723.47		
Financial assets measured at fair value through profit and loss	-	-		

5. OTHER INVESTMENT

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Investment measured at fair value through profit and loss				
Unquoted				
In Fixed Maturity Plans				
UTI FITF Series XXVII - II (1161 DAYS)	-	222.99	-	-
In Liquid Mutual Funds	-			
Axis Short Term Fund -Regular Growth	-	-	266.36	-
Axis Strategic Bond Fund-Regular Growth	-	-	571.03	-
Axis StrategicBond (G)	-	-	3,021.27	-
HDFC Medium Term Debt Fund-Regular Plan-Growth	-	-	1,280.21	1,049.03
HDFC MTerm Debt-RP (G)	-	-	4,232.20	-
HDFC Short Term Debt Fund - Regular Plan -Growth	-	-	517.76	-
HDFC STerm Debt-RP (G)	-	-	2,414.70	-
HDFC Ultra Short Term (G)	-	-	2,416.32	-
ICICI Prudential Corporate Bond Fund - Growth	-	-	155.59	23.15
ICICI Prudential Short Term Fund - Growth Option	-	-	364.42	-
ICICI Prudential-Equity & Commodities Mutual Funds	-	-	33.51	-
IDFC Corporate Bond (G)	-	-	4,534.70	-
IDFC Corporate Bond Fund Regular Plan-Growth	-	-	100.95	-
Kotak Corporat Bond RP (G)	-	-	4,910.90	260.75
L&T Triple Ace Bond RP (G)	-	-	253.21	-
L&T Triple Ace Bond RP (G)	-	-	913.78	-
L&T Ultra Short Term (G)	-	-	102.74	-
NIPPON INDIA Corporate Bond Fund(G)	-	-	4,530.68	-
SBI Magnum Medium (G)	-	-	2,212.49	-
SBI Magnum Medium Duration Fund Regular Growth	-	-	363.42	-
SBI Magnum Ultra Short Reg Cash (G)	-	-	805.04	-
SBI Short Term Debt Fund Regular Plan-Growth	-	-	499.98	-
Franklin India Savings Fund Retail Option	-	-	-	259.28
Total	**-**	**222.99**	**34,501.25**	**1,592.21**
Aggregate amount of Unquoted Investment	-	222.99	34,501.25	1,592.21
Aggregate provision for diminution in the value of Investment	-	-	-	-
Category wise summary:				
Financial assets measured at amortised cost (net of provision)	-	-	-	-
Financial assets measured at fair value through profit and loss	-	222.99	34,501.25	1,592.21

5.1 Investments made by the company other than those with a maturity of less than one year, are intended to be held for long term.

5.2 In absence of the active market and non-availability of quotes on recognised stock exchange, investment in fixed maturity plan and liquid mutual funds are disclosed as unquoted and fair value is assessed based on NAV of respective funds.

6. LOANS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Considered good- Unsecured:				
Loans and advances to employees	-	-	33.30	13.71
Others	-	-	-	-
Total	**-**	**-**	**33.30**	**13.71**

7. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
(Unsecured, considered good, unless stated otherwise)				
Security Deposits				
Considered good	321.86	247.46	177.45	117.78
Considered doubtful	-	-	6.68	8.68
Less: Provision for doubtful deposits	-	-	(6.68)	(8.68)
Interest accrued on bank deposits / Advances	183.68	104.39	61.36	107.99
Dividend / Governing council share from associates	-	-	65.07	45.46
Other receivable #	-	-	112.86	132.59
Non-current bank balances (refer note 12)	4,842.53	3,145.46	-	-
Total	**5,348.07**	**3,497.31**	**416.74**	**403.81**

Includes ₹ 2.33 lacs (Previous Year ₹ 2.33 lacs) paid under protest for enhanced cost of land, contested in Hon'ble Punjab and Haryana High Court.

7.1 Movement in the provision for doubtful debts

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	8.68	9.78
Movement in the amount of provision (Net)	(2.00)	(1.10)
Balance at the end of the year	6.68	8.68

8. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
(Unsecured, considered good, unless stated otherwise)				
Capital Advances				
Considered Good	769.30	1,692.39	-	-
Considered Doubtful	116.36	97.50	-	-
Less: Provision for doubtful advances	(116.36)	(97.50)	-	-
Other loans and advances				
Advance for goods / services				
Considered Good #	-	-	752.47	664.72
Balance with revenue authorities	-	-	1,658.19	1,602.58
Advance tax/ tax deducted at source (net of provision)	14.27	14.27	-	-
Prepaid Expenses	27.37	37.66	359.34	333.59
GST, Excise Duty, Service tax and VAT refundable	-	-	923.30	109.10
Export benefits receivable	-	-	679.53	602.36
Total	**810.94**	**1,744.32**	**4,372.83**	**3,312.35**

8.1 Movement in provision for doubtful advances

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	97.50	77.08
Movement in amount of provision (Net)	18.86	20.42
Written off of provisions	-	-
Balance at the end of the year	116.36	97.50

9. INVENTORIES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
(Valued at lower of cost and net realisable value)		
Raw Materials including packing materials	6,173.00	5,277.91
Goods-in transit	444.76	744.23
Work-in-progress	2,945.82	2,486.90
Finished Goods	2,365.90	1,960.81
Stock-in-trade	93.32	176.78
Stores and spares	625.40	562.86
Total	**12,648.20**	**11,209.49**

10. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Considered good- Unsecured	15,649.70	12,711.71
Considered Doubtful	43.68	30.58
Less: Provision for Doubtful Debt	(43.76)	(30.58)
Total	**15,649.62**	**12,711.71**

(₹ in Lacs)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Trade receivable includes:		
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners		26.96
Due from Ultra For Medical Products (UMIC), being associate company	382.41	495.29

(₹ in Lacs)

Movement in the provision for doubtful debts	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	30.58	29.84
Addition/(Deletion)	15.37	10.02
Written off out of Provision	(2.27)	(9.28)
Balance at the end of the year	**43.68**	**30.58**

The concentration of credit risk is limited due to large and unrelated customer base.

11. CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with Banks		
In current accounts	481.60	406.62
In deposit accounts, with less than 3 months maturity period	-	57.38
Cash on hand (including foreign currency notes)	13.86	20.74
Cheque in hand	-	1.00
Total	**495.46**	**485.74**

There are no repatriation restrictions with regard to cash & cash equivalents as at the end of reporting year and prior year.

12. OTHER BANK BALANCES

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Unclaimed dividend accounts	-	-	30.82	30.55
Held as margin money	697.03	1,553.05	-	-
Deposits with more than 3 months but less than 12 months maturity period	-	-	2,430.05	2,019.23
Deposits with more than 12 months maturity period	4,145.50	1,592.41	-	-
Amount disclosed under the head “other Non Current Financial Assets” (Refer note 7)	(4,842.53)	(3,145.46)		
Total	**-**	**-**	**2,460.87**	**2,049.78**

13. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised share Capital				
Equity Shares of ₹ 5 each	12,00,00,000	6,000.00	12,00,00,000	6,000.00
Issued, subscribed & paid up shares				
Equity Shares of ₹ 5 each fully paid up	9,58,80,567	4,794.03	8,82,46,980	4,412.35
Total	**9,58,80,567**	**4,794.03**	**8,82,46,980**	**4,412.35**

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

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	8,82,46,980	4,412.35	8,82,36,930	4,411.85
Add: Issued during the year by way of ESOP	-	-	10,050	0.50
Add: Issued during the year by way of QIP	76,33,587	381.68		
Outstanding at the end of year	9,58,80,567	4,794.03	8,82,46,980	4,412.35

13.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 (PY ₹ 5). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

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

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Share of ₹ 5 each (Previous Year ₹ 5 each)				
M/s Ezekiel Global Business Solutions LLP	1,23,61,320	12.89%	1,23,61,320	14.01%
Mr. Rishi Baid	99,93,048	10.42%	99,93,048	11.33%
M/s Zetta Matrix Consulting LLP	83,19,660	8.68%	83,19,660	9.43%
Mr. Himanshu Baid	79,07,624	8.25%	79,07,624	8.96%

The aforesaid disclosure is based upon percentages computed separately for each 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.

13.4 During the year ended 31st March 2021 the company have not paid any interim or final dividend.

13.5 **Shares allotted for consideration other than cash during the period of five years immediately preceding financial year**
The Company had allotted 44113440 fully paid-up equity shares of face value ₹ 5 each during the financial year ended 31st March 2017, pursuant to bonus issue approved by the shareholders through postal ballot.

14 OTHER EQUITY

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
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
Closing Balance	**46.98**	**46.98**
Capital reserve on change in interest in equity of associates	**534.75**	**409.77**
Securities Premium		
Balance at the beginning of the year	69.34	34.67
Addition during the year	39,618.31	34.67
Share Issue Expenses(net of deferred tax)	(553.86)	-
Closing Balance	**39,133.79**	**69.34**
Share Based Payment Reserve Account		
Balance at the beginning of the year	13.89	30.15
Addition (deletion) during the year (Net of lapses)	64.74	(16.26)
Closing Balance	**78.63**	**13.89**
General Reserve		
Balance at the beginning of the year	18,634.83	16,134.83
Add: Transferred from Surplus in Statement of Profit and Loss	2,500.00	2,500.00
Closing Balance	**21,134.83**	**18,634.83**

Foreign Currency fluctuation Reserve	**312.31**	**311.62**
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	19,498.98	16,727.76
Add: Addition in opening balance on account of subsidiary	-	18.75
Less:Adjustment on account of initial adoption of Ind AS 116 (Net of deferred tax of ₹ 42.89 lacs) Refer Note no 38	-	(79.86)
Add: Additions during the year	13,587.44	9,587.79
Less: Dividend Paid	-	(1,764.94)
Less: Dividend Paid	-	(362.79)
Less: Interim Dividend	-	(1,764.94)
Less: Interim Dividend tax	-	(362.79)
Less: Transferred to General Reserve	(2,500.00)	(2,500.00)
Less: Share from associate adjusted	(169.89)	-
Closing Balance	**30,416.53**	**19,498.98**
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	43.82	15.23
Add: Addition during the year	10.46	28.59
Closing Balance	**54.28**	**43.82**
Shares in reserves in associates	**50.92**	**40.81**
Grand Total	**91,763.02**	**39,070.03**

15. BORROWINGS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**
Secured - At Amortised Cost				
(i) Term loans				
from banks	5,865.39	11,236.80	2,955.60	3,283.27
(ii) Others - Vehicle Loan				
from banks	-	2.68	2.68	17.68
from others	-	-	-	-
(iii) Deferred payment liabilities	108.56	201.56	245.55	169.98
Unsecured - At Amortised Cost	-	-	-	-
(i) Term loans from banks in foreign subsidiaries	353.76	-	-	-
Amount disclosed under the head "other current financial liabilities" (note 21)	-	-	3,203.83	3,470.93
Total	**6,327.71**	**11,441.04**	**-**	**-**

15.1 Term loan comprises the following:

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	**As at 31 March, 2020**	**As at 31 March, 2021**	**As at 31 March, 2020**
From Bank				
Rupee Loan #	-	1,302.94	-	1,038.05
Foreign Currency Loan##	5,865.39	9,933.86	2,955.60	2,245.22
Term loans related to foreign Subsidiary	353.76	-	-	-

net off of ₹ NIL (PY ₹ 2.71 Lacs) as finance charge.

net off of ₹ 45.58 Lacs (PY ₹ 76.74 Lacs) as finance charge.

15.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Installments	Outstanding as at 31.03.2021	Annual repayment schedule			
				2021-22	2022-23	2023-24	2024-25
Foreign Currency Loan ##	1.40%	Quarterly	8,866.56	2,979.13	2,782.84	2,058.90	1,045.69
Others - Vehicle Loan	9.35%	Monthly	2.68	2.68	-	-	-

includes ₹ 45.58 Lacs (PY ₹ 76.74 Lacs) as prepaid finance charge.
Note: Besides above outstandings, there are long term loans in foreign subsidiaries, the outstanding amount of which as at 31.03.21 is ₹ 353.76 lacs.

15.3 Details of Security:

a Term Loans from State Bank of India are secured by first charge on entire fixed assets of the (including Plant & Machinery, Office Equipment Furniture & Fixtures and other Fixed Assets) of the Company (Present & future), including equitable mortgage of factory land & buildings, located at Plot No. 104 & 105, Plot No. 115 & 116, Sector 59, HSIIDC Industrial Estate, Faridabad (Haryana), Plot No. 113, HUDA Industrial Area, Sector 59, Faridabad (Haryana) Plot No. 17, SIDCUL, Haridwar (Uttarakhand) and Plot No. PA-010-019, Light Engineering, SEZ, Jaipur (Rajasthan) and Second Pari passu charge on Stock & Receivables and other Current Assets of the Company.

b "Foreign Currency Loan (ECB) of EUR: 4.50 Mn. from HSBC Bank (Mauritius) Ltd. is secured by first pari passu charge on entire fixed assets of the Company including land, building and other fixed assets (including Plant & Machinery, Office Equipment and Furniture & Fixtures and all other Fixed Assets) of the Company (Present & Future), situated at Plot No. 104 & 105, 115 & 116, HSIIDC, Sector-59, Faridabad, Plot No. 113, Huda, Sector 59, Faridabad, Plot No. 17, SIDCUL, Haridwar and Plot No. PA-010-019, Light Engineering, SEZ, Jaipur and second pari passu charge on stock and receivables of the Company.

Foreign Currency Loan (ECB) of EUR: 6.50 Mn. from HSBC Bank (Mauritius) Ltd. is secured by first pari passu charge with State Bank of India on entire fixed assets of the Company, including land, building and other fixed assets (including Plant & Machinery) of the Company (Present & Future), situated at Plot No. 104 & 105, 115 & 116, HSIIDC Industrial Estate, Sector-59, Faridabad, Plot No. 113, HUDA Industrial Area, Sector 59, Faridabad, Plot No. 17, SIDCUL, Haridwar, Plot No. PA-010-019, Light Engineering, SEZ, Jaipur & also first pari-passu charge with HSBC, India on entire fixed assets of the Company Including land, building and other fixed assets (including Plant & Machinery) of the Company Present & Future), situated at Plot No. 34, Sector 68, IMT, Faridabad and second pari passu charge with other term lenders i.e. State Bank of India, Citi Bank, HSBC, Mauritius and HSBC, India on stock and receivables of the Company.

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

d Deferred payment liabilities represents assets acquired on deferred credit terms.

16. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Security Deposits from Agents / Others	81.49	76.39
Deferred interest on deferred payment liability	6.07	26.96
Total	**87.56**	**103.35**

17. PROVISIONS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2021	As at 31 March, 2020	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits				
Gratuity	75.56	147.40	25.66	23.92
Leave Encashment	155.42	143.67	18.61	18.05
Others	95.75	89.41	-	-
Total	**326.73**	**380.48**	**44.27**	**41.97**

18. DEFERRED TAX LIABILITIES

In accordance with IND AS - 12, the company has accounted for deferred taxes during the year as under:

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

(₹ in Lacs)

Particulars	As at 31 March, 2021					
	Balance as at April 1 2020	Recognised in profit & loss	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,702.57	(140.02)		1,562.55	1,562.55	
Provision for defined benefit plan - P&L	(83.83)	37.57		(46.26)		(46.26)
Provision for defined benefit plan - OCI	17.69	-	3.52	21.21	21.21	
Provision for Bonus	(34.28)	22.67		(11.61)		(11.61)
Provision for doubtful debts and advances	(34.42)	(6.16)		(40.58)		(40.58)
Exchange difference impact under Sec 43A of income tax act.	(87.87)	(13.66)		(101.53)		(101.53)
IND AS 116	(30.95)	2.82		(28.13)	-	(28.13)
Share issue expense adjusted against other equity				(139.64)		(139.64)
Unrealised Gains		88.44		88.44	88.44	-
Deferred Tax (Assets) / Liabilities	**1,448.92**	**(8.34)**	**3.52**	**1,304.45**	**1,672.20**	**(367.75)**

Particulars	As at 31 March, 2020					
	Balance as at April 1 2019	Recognised in profit & loss	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,998.02	(295.45)		1,702.57	1,702.57	
Provision for defined benefit plan - P&L	(55.12)	(28.71)		(83.83)		(83.83)
Provision for defined benefit plan - OCI	8.08	-	9.61	17.69	17.69	
Provision for Bonus	(43.89)	9.61		(34.28)		(34.28)
Provision for doubtful debts and advances	(40.78)	6.36		(34.42)		(34.42)
Exchange difference impact under Sec 43A of income tax act.		(87.87)		(87.87)		(87.87)
IND AS 116	(42.89)	11.95		(30.95)	-	(30.95)
Deferred Tax (Assets) / Liabilities	**1,823.42**	**(384.10)**	**9.61**	**1,448.92**	**1,720.26**	**(271.34)**

18.1 Movement on the deferred tax account is as follows:

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	1,448.92	1,866.31
Transitional IND AS 116 impact	-	(42.89)
Restated Balance	1,448.92	1,823.42
(Credit)/ Charge to the statement of profit and loss	(8.34)	(384.10)
(Credit)/ Charge to other comprehensive income	3.52	9.61
Adjusted in Other Equity	(139.64)	-
Balance at the end of the year	**1,304.44**	**1,448.92**

19. BORROWINGS - CURRENT

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured - from banks		
Cash / Export Credit Loan	3,758.77	5,052.72
Borrowing Others(Unsecured)	123.22	264.88
Total	**3,881.99**	**5,317.60**

Working Capital limits from State Bank of India, Citi Bank N.A., The Hongkong & Shanghai Banking Corporation Limited and HDFC Bank Limited are secured by way of first pari-passu charge on entire current assets of the Company (present & future), including stocks of raw materials, stock in process, finished goods, stores & spares lying at factories , godowns or elsewhere (including goods in transit) and book debts / receivables and further secured by second pari-passu charge on entire residual fixed assets of the company.

20. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises:	1,047.72	861.95
Total outstanding dues of trade payables and acceptances other than above	5,404.29	5,774.11
	6,452.01	**6,636.06**

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

(₹ in Lacs)

	Particulars	As at 31 March 2021	As at 31 March 2020
a	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;		
	- Principal Amount	1,047.72	861.95
	- Interest due		
b	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

21. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term borrowings (Refer note no. 15)	3,203.83	3,470.93
Interest accrued but not due on borrowings	15.08	6.21
Interest accrued and due on borrowings / Security deposits	4.99	25.79
Unpaid dividends	30.82	30.55
Other payables		
Employees related liabilities	1,803.15	1,498.89
Liability on account of outstanding forward contracts	11.85	227.61
Payables for capital goods	162.95	178.58
Others (includes deferred interest of ₹ 26.03 lacs (PY ₹ 11.11 Lacs) on deferred payment liability)	92.63	59.66
Total	**5,325.30**	**5,498.22**

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

22. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance from customers	449.71	975.06
Other payables	-	-
Statutory dues	777.48	553.91
Others	5.34	93.63
Total	**1,232.53**	**1,622.60**

23. CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for Tax (Net of Prepaid Tax of ₹ 4370.74 Lacs) (PY ₹ 3221.62 lacs)	71.22	107.04
Total	**71.22**	**107.04**

24. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31 March, 2021	Year ended March 31, 2020
Sale of products		
Manufactured goods	77,210.36	66,845.32
Traded Goods	293.17	80.85
Other operating revenues		
Export Incentives	767.67	1,573.85
Sale of scrap	150.73	133.45
Other operating revenue of foreign subsidiary	224.66	90.43
Others	0.37	-
Total	**78,646.96**	**68,723.90**

The Disclosures as required by Ind-AS 115 are as under :

(₹ in Lacs)

The Company disaggregates revenue based on nature of products/geography	Year ended 31 March, 2021	Year ended March 31, 2020
The revenue disaggregates is as under :		
Revenue based on Geography		
Sales		
Domestic	22,562.28	18,683.89
Export	51,047.16	44,195.29
Sales related to foreign Subsidiaries	3,894.09	4,046.99
Other operating revenue		
Domestic-Export incentives and Scrap	918.40	1,707.30
Other operating revenue of foreign subsidiary	224.66	90.43
Others	0.37	-
	78,646.96	**68,723.90**
Revenue based on Nature of Products		
Medical Devices	77,503.53	66,926.17
Export incentives	767.67	1,573.85
Scrap	150.73	133.45
other operating revenue	225.03	90.43
	78,646.96	**68,723.90**

(₹ in Lacs)

Reconciliation of Revenue	Year ended 31 March, 2021	Year ended March 31, 2020
Gross value of contract price	77,890.38	67,237.69
Less : Variable components i.e.,Rebate & discount	386.85	311.52
Other operating revenue	1,143.43	1,797.73
Revenue from operation as recognised in financial statement	**78,646.96**	**68,723.90**

(₹ in Lacs)

Reconciliation of Advance received from Customers	Year ended 31 March, 2021	Year ended March 31, 2020
Balance at the beginning of the year	975.06	341.73
Less : Revenue recognised out of balance of advance received from customer at beginning of year	967.48	261.80
Add : Advance received during the year from customers for which performance obligation is not satisfied and shall be recognised as revenue in next year	442.13	895.13
Balance at the close of the year	**449.71**	**975.06**

The Company have orders in hand as at 31st March 2021 for ₹ 4519.77 lacs, for which performance obligation amounting to ₹ 4519.77 lacs will be recognised as revenue during the next reporting period/year. The company have evaluated the impact of Covid 19 on position of orders in hand as on 31.03.2021 and do not expect any major/significant cancellation/reduction in order value as at the date of approval of the Consolidated financial statement.

25. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income		
Interest Income on Fixed and other Deposits	309.10	484.05
Interest Income on Income Tax Refund	-	-
Interest Income from Financial Assets Measured at Amortised Cost	28.16	3.82
Dividend/ Governing Council Share	-	15.61
Other non-operating income		
Rental Income from Investment Property	7.18	9.18
Government Grants and Subsidies	109.41	64.65
Income from Mutual Funds	93.04	-
Miscellaneous Income	115.41	77.87
Other Gain		
Provisions / Liabilities no longer required written back (net)	1.67	53.79
Gain on fixed assets sold/discarded	0.72	13.04
Gain on Foreign Exchange Fluctuation (net)	825.45	1,059.93
Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	351.36	64.40
Total	**1,841.50**	**1,846.34**

26. COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Raw Material Consumed		
Inventory at the beginning of the year	4,459.36	2,778.70
Add: Purchases during the year	22,590.38	19,499.01
Less: Inventory at the end of the period	5,332.23	4,459.36
Cost of raw material consumed (A)	**21,717.51**	**17,818.35**
Packing Material Consumed		
Inventory at the beginning of the year	818.55	627.52
Add: Purchases during the year	4,962.65	4,894.69
Less: Inventory at the end of the period	840.77	818.55
Cost of packing material consumed (B)	**4,940.43**	**4,703.66**
Total (A+B)	**26,657.94**	**22,522.01**

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.

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

(₹ in Lacs)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020	(Increase)/ Decrease
Inventories at the end of year				
Finished Goods and Stock in Trade		2,459.23	2,137.59	(321.64)
Work in progress		2,945.82	2,486.90	(458.92)
		5,405.05	**4,624.49**	**(780.56)**
Inventories at the beginning of year				
Finished Goods and Stock in Trade		2,137.59	1,207.36	(930.23)
Work in progress		2,486.90	2,529.08	42.18
		4,624.48	**3,736.44**	**(888.05)**

28. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	13,006.26	12,695.65
Contribution to Provident Fund and others	945.14	990.35
Share based payment to employees	64.73	13.89
Staff Welfare Expenses	159.57	176.55
Total	**14,175.70**	**13,876.44**

29. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	797.32	740.00
Employee benefits expenses	378.45	349.38
Power and Fuel	43.23	52.65
Travelling & Conveyance	2.21	4.56
Other Misc Expenses	23.12	8.18
Legal & Professional Charges	69.85	-
R&D expenditure relating to Foreign subsidiary	0.27	39.47
Total amount spent on Research and Development	**1,314.45**	**1,194.24**

30. FINANCE COST

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense		
Interest on loans	607.57	910.05
Interest on Income Tax	2.82	4.45
Exchange difference to the extent considered as an adjustment to interest costs	152.80	842.34
Interest on Lease Liabilities	10.64	43.49
Others		
Other amortised borrowing costs	77.35	31.10
Total	**851.18**	**1,831.43**

31. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of tangible assets	4,401.45	3,741.67
Amortisation of intangible assets	249.88	212.14
Depreciation of investment properties	8.05	6.15
Amortisation of Right of Use	92.82	92.82
Total	**4,752.20**	**4,052.78**

32. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spare parts	1,601.09	1,278.02
Power and Fuel	2,527.27	2,561.84
Job Work Charges	5,677.34	5,493.94
Other Manufacturing Expenses	182.14	88.00
Repairs to Building	61.75	74.96
Repairs to Machinery	60.33	85.62
Repairs to Others	49.62	58.06
Insurance (Net)	233.89	273.30
Short term lease	221.91	172.54
Rates, Taxes & Fee	186.51	101.01
Travelling & Conveyance	726.24	1,301.44
Legal & Professional Fees	1,376.15	1,375.95
Auditors' Remuneration	18.92	19.02
Commission and Sitting Fees to Non-Executive Directors	101.75	73.25
Donations	115.94	86.13
Bank Charges	212.93	216.32
Advertisement	8.63	18.73

Commission on sales	517.32	479.98
Freight & Forwarding (Net)	638.57	520.23
Business Promotion	71.59	246.57
Exhibition Expenses	26.68	206.32
Rebate, Discounts & Claims	116.79	65.17
Provision for Doubt full debts / Advances	29.96	29.34
Bad debts / Misc. Balances written off	17.99	30.73
CSR Expenditure	247.72	237.72
Communication expense	54.10	49.82
Listing fees	6.15	5.40
Other Miscellaneous Expenses	445.62	403.19
Total	**15,534.90**	**15,552.59**

(₹ in Lacs)

Payment to Auditors	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Audit Fee	13.63	13.56
Limited Review of Results (Previous auditor)	-	1.00
Limited Review of Results	3.00	2.00
In other capacity		
(a) For certification work	0.30	0.39
(b) For Others	0.99	0.11
(c) For certifications & reports for QIP Purpose*	5.00	-
Reimbursement of expenses	1.01	1.97
Total	**23.92**	**19.02**

*Adjusted against Securities premium account as share issue expenses and not charged to statement of Profit & loss.

33. TAX EXPENSES

(₹ in Lacs)

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Tax expenses comprises of:		
Current tax	4,441.52	3,317.28
Earlier year tax adjustment (net)	(15.22)	51.36
Deferred tax	(8.34)	(384.10)
Total	**4,417.96**	**2,984.54**

Reconciliation of tax expenses and accounting profit multiplied by Indian tax rate	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax and share of profit from associates	17,674.33	12,358.26
Applicable tax rate	25.17%	25.17%
Tax at the Indian tax rate of 25.17% (Previous year 25.17%)	**4,448.63**	**3,110.57**
Tax adjustment on account of profit of subsidiary company on consolidation	(53.76)	(0.80)
Adjustment of expenses disallowed under income tax	165.88	347.07
Adjustment of expenses allowable under income tax	1.60	(35.14)
Other allowable deduction	(120.82)	(104.43)
Current Tax (Normal Rate)	**4,441.52**	**3,317.28**
Additional Current Tax due to Special Rate		
Current Tax (A)	**4,441.52**	**3,317.28**
Incremental Deferred tax Liability on timing Differences (Net)	(8.34)	(384.10)
Deferred Tax (B)	**(8.34)**	**(384.10)**
Tax expenses for earlier year (net)	(15.22)	51.36
Tax expenses recognised in the statement of profit and loss	**4,417.96**	**2,984.54**
Effective tax rate	25.00%	24.15%

POLY MEDICURE LIMITED
Notes to Consolidated Financial Statements for the year ended 31 March, 2021

CORPORATE AND GENERAL INFORMATION

Poly Medicure Limited (''the Company'') is domiciled and incorporated in India and its equity shares are listed at Bombay Stock Exchange(BSE) and National Stock Exchange (NSE). The registered office of the company is situated at 232B, 3rd Floor, Okhla Industrial Estate, Phase III, New Delhi, India.

The Company is a manufacturer/producer of Medical Devices.

The consolidated financial statements of the company for the year ended 31st March 2021 were approved and authorized for issue by the Board of directors in their meeting held on 24th May 2021

STATEMENT OF COMPLIANCE

The financial statements are a general purpose financial statement which have been prepared in accordance with the Companies Act 2013, Indian Accounting Standards and complies with other requirements of the law.

BASIS OF PREPARATION

These financial statements have been prepared complying in all material respects as amended from time to time with the accounting standards notified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules 2015. The financial statements comply with IND AS notified by Ministry of Corporate Affairs ("MCA").

Accounting Policies have been consistently applied except where a newly adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relates to Poly Medicure Limited ('the Company') and its subsidiary companies (the company and subsidiaries referred to as "Group") and associates. The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

ii) Where the cost of the investment is higher/lower than the share of equity in the subsidiary/ associates at the time of acquisition, the resulting difference is disclosed as goodwill/capital reserve in the investment schedule. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for in the consolidated statement of profit and loss.

iii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year.

iv) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

v) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

vi) Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

vii) Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

viii) Investment in Associates has been accounted under the equity method as per Ind AS 28 -Investments in Associates and Joint Ventures.

ix) Companies considered in the consolidated financial statements are:

Name of the Company	Country of incorpo-ration	Holding as on March 31, 2021	Period of consol-idation
Subsidiary			
Poly Medicure (Laiyang) Company Limited, China (Audited)	China	100%	Apr'20 to Mar'21
Polymed BV, Netherlands - Management certified-Unaudited (Consolidated)	Netherlands	100%	Apr'20 to Mar'21
Plan 1 Health India Pvt Ltd. (Audited)	India	99.99%	Apr'20 to Mar'21
Associates			
Ultra For Medical Products Company (Ultra Med), Egypt - Audited	Egypt	23%	Jan'20 to Dec'20

Classification of Assets and Liabilities into Current and Non-Current

The Company presents its assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

a) expected to be realised or intended to be sold or consumed in normal operating cycle;

b) held primarily for the purpose of trading;

c) expected to be realised within twelve months after the reporting period; or

d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when :

a) a) it is expected to be settled in normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is due to be settled within twelve months after the reporting period; or

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle being a period within twelve months for the purpose of current and non-current classification of assets and liabilities.

SIGNIFICANT ACCOUNTING POLICIES

a Basis of Measurement

The Financial Statements of the company are consistently prepared and presented under historical cost convention on an accrued basis in accordance with IND AS except for certain Financial Assets and Financial Liabilities that are measured at fair value.

The financial statements are presented in Indian Rupees (`INR'), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Lacs (except otherwise indicated).

b Property, plant and equipment

(i) Property, plant and equipment situated in India are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be less accumulated depreciation and amortization. Freehold land is carried at cost of acquisition. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

(ii) <u>Depreciation</u>
Depreciation on Property, plant and equipment is provided on Straight Line Method over their useful lives and in the manner specified in Schedule II of the Companies Act, 2013.

(iii) <u>Component Accounting</u>
When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part

with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(iv) Stores and Spares which meets the definition of Property, plant and equipment and satisfying recognition criteria of Ind AS - 16 are capitalised as Property, plant and equipment and until that in capital work in progress.

(v) Lease Hold Assets are amortised over the period of lease.

(vi) Expenditure during construction/erection period is included under Capital Work-in-Progress and is allocated to the respective property plant and equipment on completion of construction/ erection.

(vii) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.

(viii) The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ix) Capital work in progress includes cost of Property, Plant and Equipment which are not ready for their intended use.

c Intangible assets:

(i) Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible Assets are stated at cost which includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis. In respect of patents and trademarks, useful life has been estimated by the management as 10 years unless otherwise stated in the relevant documents and in respect of SAP software as 10 year and other softwares as 3 years.

(ii) Software: Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible assets with indefinite useful lives (like goodwill, brands), if any, are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.

(iii) Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities & Contingent liabilities of the acquiree. When the net fair value of identifiable assets, liabilities & Contingent liabilities acquired exceeds the cost of business acquisition, the bargain purchase excess is recognized after reassessing the fair value of net assets acquired in the capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying, on number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from the other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the CGU pro-rata on the basis of carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

d **Investment properties:**

Investment properties are properties held either to earn rental income or capital appreciation or for both but not for sale in the ordinary course of business, use in production or supply of goods or services or for other administrative purposes. Investment properties are initially measured at cost including transaction cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation or impairment loss. Depreciation on investment properties are provided over the estimated useful life and is not different than useful life as mentioned in schedule II of the Companies Act 2013.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in profit or loss in the period of derecognised.

Though the company measures investment properties using cost based measurement, the fair value of investment properties is disclosed in the notes. Fair value are determined by using circle rates of the concerned registration authority.

e **Research and development cost:**

Research Cost:

Revenue expenditure on research is expensed under the respective heads of account in the period in which it is incurred and is grouped as "Research and development expenses".

Development Cost:

Development expenditure on new product is capitalised as intangible asset, if technical and commercial feasibility as per Ind AS 38 is demonstrated, else charged to statement of profit and loss.

f **Inventories:**

Raw materials, Packing materials, Stores and Spares are valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Stock in process is valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Finished goods are valued at lower of cost and net realisable value. Cost for this purpose includes direct material, direct labor, other variable cost and manufacturing overhead based on normal operating capacity and depreciation.

Stock in Trade is valued at lower of cost and net realisable value

Scrap is valued at estimated realisable value.

g **Financial instruments:**

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the company becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

h Financial assets:

Financial assets include Investments, trade receivables, cash and cash equivalents, derivative financial assets, loans and also the equity / debt instruments held. Initially all financial assets are recognised at amortised cost or fair value through Other Comprehensive Income or fair value through Statement of Profit or Loss, depending on its business model for those financial assets and their contractual cash flow characteristics. Subsequently, based on initial recognition/ classification, where assets are measured at fair value, gain and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

(i) Investment in equity shares:

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss for investments held for investment is recognized through Statement of profit and loss.

(ii) Investment in associates, joint venture and subsidiaries:

The Company's investment in subsidiaries and associates, joint venture are at carried at cost except where impairment loss recognised.

(iii) Trade receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost less credit loss/impairment allowances/ provision for doubtful debts.

(iv) Cash and cash equivalents:

- Cash and cash equivalents are financial assets. Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost.

- Other Bank Balances:

Unclaimed / Unpaid dividend amount balance, deposit with bank as margin money for guarantees issued by bank, deposit kept as security deposit with statutory authorities are accounted as bank balance other than cash and cash equivalents.

- Cash Flow Statement:

Cash Flows are reported using indirect method whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of company are segregated.

(v) Loans & other financial assets:

Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

i Impairment of Financial assets:

In accordance with Ind AS 109, the company uses expected credit loss (ECL) model for evaluating, measurement and recognition of impairment loss.

j Financial liabilities:

(i) Classification:

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

(ii) Initial recognition and measurement:

All financial liabilities are recognized initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(iii) Subsequent measurement:

All financial liabilities are re-measured at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

(iv) Loans and borrowings:

Interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through EIR amortization process. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

(v) De-recognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(vi) Derivative financial instruments:

The Company uses derivative financial instruments such as forward currency contracts and options to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The gain or loss in the fair values is taken to Statement of Profit and Loss at the end of every period. Profit or loss on cancellations/renewals of forward contracts and options are recognized as income or expense during the period.

k Impairment of non-financial assets:

At each reporting date, the company assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable amount of the non-financial asset is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is determined:

- In the case of an individual asset, at the higher of the Fair Value less cost to sell and the value in use.
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the company estimates the recoverable amount of the smallest cash generating unit to which the non-financial asset belongs. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of a non-financial asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the non-financial asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized immediately in the statement of Profit and Loss. Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset or cash generating unit is increased to the revised estimate of its recoverable amount. However, this increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for that non-financial asset or cash generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the statement of Profit and Loss.

l Foreign exchange transactions:

(i) Functional and presentation Currency:

The functional and reporting currency of company is INR.

(ii) Transaction and Balances:

Foreign exchange transactions are accounted for at the exchange rate prevailing on the date of transaction. All monetary foreign currency assets and liabilities are converted at the exchange rate prevailing at reporting date. All exchange gain or loss arising on translation of monetary items are dealt with in statement of profit and loss.

m Revenue recognition:

The company derives revenue from sale of manufactured goods and traded goods.In accordance with Ind AS 115, the company recognises revenue from sale of products and services at a time when performance obligation is satisfied and upon transfer of control of promised products or services to customer in an amount that reflects the consideration the company expects to receive in exchange for their products or services. The company disaggregates the revenue based on nature of products/Geography.

- **Export incentive:**
  Export incentives are accounted for on export of goods, if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

- **Dividend income:**
  Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

- **Interest income:**
  For all Financial instruments measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

- **Rental income:**
  Rental income on investment properties are accounted for on accrual basis.

n Government Grant

- Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.

- Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

- Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

- In respect of Property, Plant and Equipment purchased under Export Promotion Capital Goods (EPCG) scheme of Government of India, exemption of custom duty under the scheme is treated as, Government Grant and is recognized in Statement of Profit and Loss on fulfillment of associated export obligations.

o Employees Benefits:

i) Short term employee Benefit:
All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) Defined Contribution Plan:
Contributions to the Employees' Provident Fund and Employee's State Insurance are recognized as Defined Contribution Plan and charged as expenses in the year in which the employees render the services.

iii) Defined Benefit Plan:
The Leave Encashment (Unfunded) and Gratuity (Funded) are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past Service cost is recognised in the statement of profit and loss in the period of plan amendment. Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligations under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, gains and losses on curtailments and non-routine Settlements.

- Net interest income or expense.

iv) Long term Employees Benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

v) Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.

The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

(a) when the entity can no longer withdraw the offer of those benefits; and

(b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

p Share based payments:

Equity settled share based payments to employees are measured at fair value of equity instrument at the grant date.The fair value determined at grant date is expensed on straight line basis over the vesting period based on the company's estimate of equity instrument that will eventually vest with corresponding increase in equity. At the end of each reporting period, the company revise its estimate of number of equity instruments expected to vest. The impact of revision of the original estimates, if any, is recognised in statement of profits and loss such that cumulative expense reflect the revised estimate with a corresponding adjustment to Share based Payments Reserve. The dilutive effect of outstanding option is reflected as additional dilution in computation of diluted earning per share.

q Borrowing costs:

(i) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

(ii) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

(iii) All other borrowing costs are recognised as expense in the period in which they are incurred.

r Leases:

In accordance with IND AS 116, the Company recognises right of use assets representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before commencement date less any lease incentive received plus any initial direct cost incurred and an estimate of cost to be incurred by lessee in dismantling and removing underlying asset or restoring the underlying asset or site on which it is located. The right of use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The right of use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that there carrying amounts may not be recoverable. Impairment loss, if any, is recognise in statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised- in-substance fixed lease payments, the company recognises amount of remeasurement of lease liability due to modification as an adjustment to right of use assets and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right of use assets is reduced to zero and there is further reduction in measurement of lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Company has elected not to apply the requirements of IND AS 116 to short term leases of all assets that have a lease term of twelve month or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on straight line basis over lease term.

s Taxes on income:

(i) Current Tax:

1. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-Tax Act 1961 and based on the expected outcome of assessments / appeals.

2. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

   Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax:

1. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.

2. Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled.

3. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognised directly in equity.

t (i) General:

The Company recognises provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive obligation as a result of past events and it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financing cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation:

- A present obligation arising from past events, when no reliable estimate is possible:

- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognised but disclosed in financial statement when an inflow of economic benefits is probable.

Provisions, Contingent liabilities, Contingent assets and Commitments are reviewed at each balance sheet date.

(ii) Other Litigation claims:
Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

(iii) Onerous contracts:
Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

u **Exceptional Items:**

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

v **Earnings per share:**

Basic Earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

w **Segment reporting:**

The operating segment of the company is medical devices and the same have been evaluated on management approach as defined in Ind AS - 108 "Operating Segment". The company accordingly reports its financials under one segment namely "Medical Devices".

x **Financial statement classification:**

Certain line items on the balance sheet and in the statement of Profit and Loss have been combined. These items are disclosed separately in the Notes to the financial statements. Certain reclassifications have been made to the prior year presentation to conform to that of the current year. In general the company classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date.

y **Fair value measurement:**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

z **Significant Accounting Judgements, Estimates and Assumptions:**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation of uncertainty related to Global Health Pandemic from COVID-19

The Group has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company and based on estimates the company expects that the carrying amount of financial assets will be recovered and the company do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of these audited Consolidated Financial Statement.

i Income taxes:

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the stand alone financial statements.

ii When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including book value, Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iii Defined benefit plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv Lease:
The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In exercising whether the company is reasonably certain to exercise an option to extend a lease or to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease or to exercise the option to terminate the lease. The company revises lease term, if there is change in non-cancellable period of lease. The discount rate used is generally based on incremental borrowing rate.

v Depreciation/Amortisation and useful life of Property, Plant and Equipment:

The Company has estimated the useful life of Property, Plant and Equipment (PPE) as specified in schedule II of Companies Act. 2013. However, the actual useful life for individual PPE could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternatively, the equipment may continue to provide useful services well beyond the useful life assigned.

vi The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The Company uses judgements in making these assumptions and selecting inputs for impairment calculations based on existing market conditions, past history, technology, economic developments as well as forward looking estimates at the end of each reporting period.

vii Provisions:
The company makes provision for leave encashment and gratuity based on report received from the independent actuary. These valuation reports uses complex valuation models using actuarial valuation. An actuarial valuation involves making various assumption that may differ from actual development in future.

viii Contingencies:
Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

ix Impairment of Goodwill: Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than the carrying amount, the impairment loss is accounted. For impairment loss, goodwill is allocated to CGU which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purpose. The recoverable amount of CGU is determined based on higher of value in use and fair value less cost to sell and value in use is present value of future cash flows expected to be derived from CGU.

Key assumption in the cash flow projection are prepared based on current economic conditions and comprises estimated long term growth rate, estimated operating margin.

aa Capital:

Debt and equity instruments:

Ordinary equity shares are classified as equity. Debt instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

ab Other Miscellaneous Expenses

Public Issue Expenditure/Share issue expenses on private placement basis/FCCB's issue expenditure is being written off against Securities/Share premium, net of taxes, in the year of issue.

34 Fair value measurement

i Financial instruments: Accounting classification and fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

(₹ in Lacs)

Particulars	31-03-2021						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	940.34	-	-	940.34	-	-	-
In Liquid Mutual Funds	34,501.25	34,501.25	-	-	-	34,501.25	-
Trade receivables	15,649.62	-	-	15,649.62	-	-	-
Cash & cash equivalents	495.46	-	-	495.46	-	-	-
Other bank balances	2,460.87	-	-	2,460.87	-	-	-
Loans	33.30	-	-	33.30	-	-	-
Other financial assets	5,764.81	-	-	5,764.81	-	-	-
Total financial assets	**59,845.65**	**34,501.25**	**-**	**25,344.40**	**-**	**34,501.25**	**-**
Financial liabilities							
Borrowings	10,209.70	-	-	10,209.70	-	-	-
Trade payables	6,452.01	-	-	6,452.01	-	-	-
Lease Liabilities	328.98	-	-	328.98	-	-	-
Other financial liabilities	5,412.86	11.85	-	5,401.01	-	11.85	-
Total financial liabilities	**22,403.55**	**11.85**	**-**	**22,391.70**	**-**	**11.85**	**-**

(₹ in Lacs)

Particulars	31-03-2020						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	723.47	-	-	723.47	-	-	-
In Fixed Maturity Plans	222.99	222.99	-	-	-	222.99	-
In Liquid Mutual Funds	1,592.21	1,592.21	-	-	-	1,592.21	-
Trade receivables	12,711.71	-	-	12,711.71	-	-	-
Cash & cash equivalents	485.74	-	-	485.74	-	-	-
Other bank balances	2,049.78	-	-	2,049.78	-	-	-
Loans	13.71	-	-	13.71	-	-	-
Other financial assets	3,901.12	-	-	3,901.12	-	-	-
Total financial assets	**21,700.73**	**1,815.20**	**-**	**19,885.53**	**-**	**1,815.20**	**-**
Financial liabilities							
Borrowings	16,758.64	-	-	16,758.64	-	-	-
Trade payables	6,636.06	-	-	6,636.06	-	-	-
Lease Liabilities	432.34	-	-	432.34	-	-	-
Other financial liabilities	5,601.57	227.61	-	5,373.96	-	227.61	-
Total financial liabilities	**29,428.61**	**227.61**	**-**	**29,201.00**	**-**	**227.61**	**-**

The carrying amount of bank balances, Trade Receivable, Trade Payable, other financial assets / liabilities, loans, cash and cash equivalents, borrowings are considered to be the same as their fair value due to their short term nature.

The levels have been classified based on the followings:

Level 1: It hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted.
- Close ended mutual funds at NAV's declared by AMFI.
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as FIMMDA (Fixed Income Money Market and Derivative Association of India).
- Derivative Instruments at values determined by counter parties/Banks using market observable data.
- Certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value.

35. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lacs)

	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a	**Contingent liabilities not provided for:**		
	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
	Demand from National Pharmaceutical Pricing Authority (Net)	76.88	76.88
b	**Obligations and commitments outstanding:**		
	Unexpired letters of credit ₹ 1,762.12 lacs (Previous year ₹1,068.77 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,971.84 lacs (Previous year ₹ 1863.46 lacs), (Net of margins)	3,733.96	2,932.23
	Bills discounted but not matured	696.33	890.73
	Custom duty against import under EPCG Scheme	1,930.94	1,927.70
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	3,472.81	5,612.40

36. Financial Risk Management

The Company's activities expose it to price risk, credit risk, liquidity risk and market risk.

This note explains the source of risk which the company is exposed to and how it manages the risk and its impact on the financial statement. These risks are managed by the senior management of the company supervised by the Board of Directors to minimise potential adverse effects on the financial performance of the company.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash & cash equivalent, Financial instruments, Financial assets & Trade Receivable	Credit Rating and ageing analysis	Diversification of counter Parties, setting of trade receivable, review of outstanding / overdues
Liquidity Risk	Other Liabilities	Maturity Analysis	Maintenance of Sufficient cash and cash Equivalent, Fixed Deposit & other marketable securities
Market Risk-Foreign exchange	Highly probable forecast transactions	Sensitivity analysis	Forward Foreign Exchange Contracts

The Board of Directors of the company provides guiding principles for overall risk management, as well as policies covering specific areas i.e. foreign exchange risk, credit risk & Investment of Surplus liquidity.

The company's risk management is carried out by finance department, accordingly, this department identifies, evaluates and hedges financial risk.

A) Price Risk

The main Raw materials for manufacturing of Medical devices are various types of Plastic Granules i.e. PP, LDPE, HDPE, PC, PA, SAN, ABS and K. Resin etc. The prices of Raw materials are mainly dependent on the price of Crude Oil. The majority of Raw materials are being imported by the Company and the few are procured indigenously. In case of imported Raw materials, the adverse forex movements are covered by the natural hedge. In case of the drastic price rise of Raw materials during the year, the Company makes appropriate changes in the prices of Finished Products, after due discussions with the customers. The prices of Finished Goods are generally reviewed every year and appropriate changes in prices are made to offset the increase in cost.

B) Credit Risk

Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss and trade receivables

Credit Risk Management

The company has invested in fixed deposits and liquid mutual funds and have invested only with those funds plan having good credit rating / track record. The company reviews the creditworthiness of these counterparties on an ongoing basis. Another credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customer to whom credit is extended in normal course of business. The company estimates the expected credit loss on the basis of past data and experience. The company also takes proper ECGC cover based on risk based classification of trade receivables.

The Geographical concentration of trade receivable (net of allowance) is as under:

(₹ in Lacs)

Particulars	At at 31 March 2021	As at 31 March 2020
India	3,694.36	3,272.03
Europe	4,338.00	3,398.72
USA	42.95	23.93
Others	7,574.31	6,017.04
	15,649.62	**12,711.71**

Review of outstanding trade receivables and financial assets is carried out by the management each quarter. The Company has a practice to provide for provision for doubtful debts on the basis of duly board approved policy on provision for bad & doubtful debts.

Reconciliation of loss allowance provisions:

(₹ in Lacs)

Particulars	Deposits	Trade receivable	Advances
Loss Allowance as on 1 April 2019	9.78	29.84	77.08
Change In loss allowance	(1.10)	0.74	20.42
Loss Allowance as on 31 March 2020	8.68	30.58	97.50
Change In loss allowance	(2.00)	13.10	18.86
Loss Allowance as on 31 March 2021	**6.68**	**43.68**	**116.36**

COVID-19: The Company do not envisage any financial difficulties resulting in additional credit risks higher than usual credit terms due to COVID-19 outbreak.

C) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in interest rate. The company's main interest rate risk arises from long term borrowings with variable rates (LIBOR plus) which exposes the company to cash flow interest rate risk.

i) Interest rate risk exposure - The exposure of the company's borrowing to interest rate changes at the end of reporting period is as follows:

(₹ in Lacs)

Particulars	At at 31 March 2021	As at 31 March 2020
Variable rate borrowing	13,059.42	19,858.03
Fixed rate borrowing	354.11	371.54
Total	**13,413.53**	**20,229.57**

The analysis by maturities is provided in note D "Maturities of Financed liabilities" below.

ii) Sensitivity analysis: For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for whole year:-

(₹ in Lacs)

Particulars	Impact on profit before tax for the year ended	
	31 March 2021	31 March 2020
Interest rate- increase by 50 basis point	65.30	99.29
Interest rate- decrease by 50 basis point	(65.30)	(99.29)

D) Liquidity Risk

The company's principle source of liquidity are cash & cash equivalent and cash flows that are generated from operations. The company believes that its working capital is sufficient to meet its current requirement. Additionally, the company has sizeable surplus funds in liquid mutual fund and also in fixed deposit ensuring safety of capital and availability of liquidity as and when required hence, the company do not perceive any liquidity risk.

(₹ in Lacs)

Particulars	At at 31 March 2021	As at 31 March 2020
The company has working capital funds which Includes		
Cash and cash equivalent	495.46	485.74
Current investments in liquid mutual funds	34,501.25	1,592.21
Bank balances	2,460.87	2,049.78
Trade receivable	15,649.62	12,711.71
Total	**53,107.20**	**16,839.44**

Besides above, the company had access to the following undrawn facilities at the end of reporting period:

(₹ in Lacs)

Particulars	At at 31 March 2021	As at 31 March 2020
Fixed		
Cash credit and other facilities	4,468.12	3,657.25
Variable		
Other facilities	-	-

Contractual maturities of significant financial liabilities are as under :

Maturities of financial liabilities

(₹ in Lacs)

Particulars	Less than and equal to 1 year	More than 1 year	Total
As at 31 March 2021			
Trade payable	6,452.01	-	6,452.01
Other Financial liabilities	9,339.64	6,611.90	15,951.54
Total	**15,791.65**	**6,611.90**	**22,403.55**
As at 31 March 2020			
Trade payable	6,636.06	-	6,636.06
Other Financial liabilities	11,303.47	11,489.08	22,792.55
Total	**17,939.53**	**11,489.08**	**29,428.62**

E) Market Risk

Foreign Currency Risk

The company operates significantly in international markets through imports and exports and therefore exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD/Euro/GBP/JPY. The risk is measured through sensitivity analysis. In order to minimize any adverse effect on the financial performance of the company, financial instrument such as foreign exchange forward contracts are used exclusively to mitigate currency risk.

(i) The company uses foreign exchange forward contracts to mitigate exposure in foreign currency risk. The foreign exchange forward contract outstanding at reporting date are as under: -

(in Lacs)

Particulars	Type	Currency	As at 31-03-2021		As at 31-03-2020	
			FC	INR	FC	INR
Forward Contracts	Sell	USD:INR	-	-	69.27	5,233.51
		EURO:INR	-	-	12.06	1,005.14
		GBP:INR	3.00	301.98	9.07	851.04
	Buy	EURO:INR	4.06	348.56	-	-
		JPY:INR	-	-	285.42	199.79

(ii) Particulars of Unhedged Foreign Currency Exposure as at reporting date (Net exposure to Foreign Currency Risk)

(in Lacs)

Particulars	Currency	As at 31-03-2021		As at 31-03-2020	
		FC	INR	FC	INR
Receivable / (Payable)	USD:INR	46.38	3,390.46	-	-
	EURO:INR	(49.99)	(4,289.30)	(90.59)	(7,548.59)
	USD:INR	-	-	-	-
	EURO:INR	-	-	-	-
	GBP:INR	(1.15)	(115.96)	(2.39)	(223.79)
	CAD:INR	(0.06)	(3.61)	(0.05)	(2.41)
	LE.:INR	13.99	65.07	(9.44)	(45.46)
	SEK:INR	(0.63)	(5.29)	(1.51)	(11.53)
	JPY:INR	(681.40)	(449.88)	(639.31)	(449.83)
	AUD:INR	-	-	(0.01)	(0.35)
	SGD:INR	-	-	-	-

(iii) Maturity of outstanding foreign exchange forward contracts

The details in respect of maturity of outstanding forward exchange forward contract are as given:-

(₹ in Lacs)

Particulars	Type	Currency	As at 31-03-2021	As at 31-03-2020
Not later than 3 months	Sell	USD:INR	-	870.68
		EURO:INR	-	213.59
		GBP:INR	150.99	165.25
	Buy	EURO:INR	348.56	-
		JPY:INR	-	199.79
Later than 3 months and not later than 6 months	Sell	USD:INR	-	2,023.46
		EURO:INR	-	499.92
		GBP:INR	150.99	258.01
Later than 6 month & not later than one year	Sell	USD:INR	-	2,339.36
		EURO:INR	-	291.62
		GBP:INR	-	427.79

(iv) The mark to market gain or loss on foreign currency are as under: -

(₹ in Lacs)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Mark to market loss / (Gain) accounted for (Net)	(215.76)	334.68

37 CAPITAL MANAGEMENT

a) Risk Management -

The company is cash surplus and has no capital other than equity. The Cash surplus are currently invested in Liquid mutual funds and also in fixed deposit with banks. Safety of capital is of prime importance to ensure availability of capital for company's business requirement. Investment objective is to provide safety and adequate return on surplus funds. The company's adjusted net debt to equity ratio at the end of reporting period is as follows:

(₹ in Lacs)

Particulars	As at	
	31 March 2021	31 March 2020
Gross borrowings	13,413.53	20,229.57
Less: cash and cash equivalents	495.46	485.74
Adjusted net debt	12,918.07	19,743.84
Total Equity	96,557.05	43,482.38
Adjusted net debt to equity	13.38%	45.41%

The company's total owned funds of ₹ 96,557.05 Lacs with ₹ 12,918.07 Lacs as net debts is considered adequate by the management to meet its business interest and any capital risk it may face in the future.

b) Loan Covenants

Under the terms of borrowing facilities, the company is required to comply with certain financing covenants and the company has complied with those covenants through out the reporting period.

c) Dividend

(₹ in Lacs)

Particulars	As at	
	31 March 2021	31 March 2020
Dividend recognised in the financial statements		
Final dividend for financial year ended 31-Mar-21 : NIL (31-Mar-20 ₹ 2) per equity share	-	1,764.94
Interim dividend for financial year ended 31-Mar-21 : NIL (31-Mar-20 ₹ 2) per equity share	-	1,764.94
Dividend tax	-	725.58
Dividend not recognised in the financial statements		
In addition to the above dividend, since year end, the Board of directors have recommended the payment of final dividend of ₹ 2.50 per equity share (PY Nil per equity share)	-	-

This dividend is subject to the approval of shareholder of the company in ensuing Annual General Meeting and upon approval would result in cash outgo of approx ₹ 2,397.01 Lacs .

38 The Company has adopted Ind AS 116 effective annual reporting period beginning April 1, 2019 and applied the Standard to its leases retrospectively with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to opening balance of retained earnings as on April 1, 2019.

The lease payments including interest have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in balance sheet at the date of initial application.

On application of IndAs 116, the nature of expense has changed from lease rent in previous periods to depreciation cost for right of use asset and finance cost for interest accrued on lease liability.

The details of right of use asset held by the company is as follows:

(₹ in Lacs)

Particulars	**As at 31 March 2021**	**At at 31 March 2020**
Balance at the beginning of the year	309.40	-
Addition during the year	-	402.82
Depreciation for the year	92.82	92.82
Closing balance at the end of the year	**216.58**	**309.40**

The Following is break up of current and non-current lease liabilities as at 31st March 2021

(₹ in Lacs)

Particulars	**As at 31 March 2021**	**At at 31 March 2020**
Current lease liabilities	132.35	104.02
Non-Current lease liabilities	196.63	328.32
	328.98	**432.34**

The following is movement in lease liabilities during the year ended 31 March 2021

(₹ in Lacs)

Particulars	**As at 31 March 2021**	**At at 31 March 2020**
Balance at the beginning of the year	432.34	524.97
Addition during the year	-	-
Finance cost accrued during the year	10.64	43.49
Payment of lease liabilities (including interest)	114.00	136.12
Balance at the end of the year	**328.98**	**432.34**

Depreciation on right of use asset is Rs 92.82 lacs and Interest on lease liability for year ended 31 March 2021 is Rs 10.64 lacs

Lease Contracts entered by the company majorly pertains to building taken on lease to conduct the business activities in ordinary course.

Impact of Covid 19

The leases that the company has entered with lessors towards properties used as corporate office/ offices are long term in nature and no changes in terms of those leases are expected due to Covid-19

The Table below provides details regarding the contractual maturities of lease charges as at 31 March 2021 on an undiscounted basis:

(₹ in Lacs)

Particulars	Short term lease charges payable	Long term lease Charges payable	As at 31st March 2021	As at 31st March 2020
Less than one year	67.5	156.52	224.02	206.25
Up to five year	-	208.7	208.7	365.22
More than five year	-	-	-	-

The company do not forsee liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

Rental expense recorded for short term lease amounted to ₹ 221.91 lacs and grouped as short term lease expense in Note No.32 “other expense”

39 RELATED PARTY DISCLOSURES:

Related party disclosures as required by Ind AS - 24 “Related Party Disclosures” are as under:

A List of related parties and relationships

a Associate

1 Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel & Relative

1 Mr. Himanshu Baid (Managing Director)
2 Mr. Rishi Baid (Joint Managing Director)
3 Mr. J. K. Oswal (CFO)
4 Mr. Avinash Chandra (Company Secretary)
5 Mr. Devendra Raj Mehta (Independent Director)
6 Mr. Prakash Chand Surana (Independent Director)
7 Mr. Shailendra Raj Mehta (Independent Director)
8 Dr. Sandeep Bhargava (Independent Director)
9 Mr. Alessandro Balboni (Director)
10 Mr. Amit Khosla (Independent Director) w.e.f 5th June 2020
11 Mrs. Sonal Mattoo (Independent Director) w.e.f 29th August 2020
12 Mr. J. K. Baid (Director- relative of Managing Director & Joint Managing Director)
13 Mr. Vishal Baid (President- relative of Managing Director & Joint Managing Director)
14 Mrs. Mukulika Baid (Director- relative of Managing Director & Joint Managing Director)
15 Mr. Dhruv Baid (Manager- relative of Managing Director) w.e.f 1st Feb 2021

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 Jai Chand Lal Hulasi Devi Baid Charitable Trust

B Transactions with related parties

(₹ in Lacs)

Particulars	Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Sales of Goods	**840.14**	**801.54**	**-**	**-**	**2,984.25**	**1,141.07**
Ultra for Medical Products Egypt	840.14	801.54	-	-	-	-
Vitromed Healthcare	-	-	-	-	2,984.25	1,141.07
Purchases of Goods	**-**	**-**	**-**	**-**	**90.77**	**11.30**
Ultra for Medical Products Egypt	-	-	-	-	-	-
Vitromed Healthcare	-	-	-	-	90.77	11.30
Job work	**-**	**-**	**-**	**-**	**5,130.90**	**4,938.10**
Vitromed Health Care	-	-	-	-	5,130.90	4,938.10
Rent received	**-**	**-**	**-**	**-**	**0.20**	**0.20**
Virtomed Healthcare	-	-	-	-	0.20	0.20
Rent paid	**-**	**-**	**-**	**-**	**1.70**	**1.70**
Jai Polypan Pvt. Ltd.	-	-	-	-	1.70	1.70
CSR Expenses	**30.45**	**-**	**-**	**-**	**-**	**-**
Jai Chand Lal Hulasi Devi Baid Charitable Trust	30.45	-	-	-	-	-
Dividend/ Governing Council Share Received	**79.40**	**45.46**	**-**	**-**	**-**	**-**
Ultra for Medical Products, Egypt	79.40	45.46	-	-	-	-
Advance From Associates	**2.13**	**31.60**	**-**	**-**	**-**	**-**
Ultra for Medical Products Egypt	2.13	31.60	-	-	-	-
Directors / Key Managerial Personnels' Remuneration including commission	**-**	**-**	**1,885.87**	**1,251.53**	**-**	**-**
Mr. Himanshu Baid	-	-	916.94	599.83	-	-
Mr. Rishi Baid	-	-	896.02	583.82	-	-
Mr. J. K. Oswal	-	-	60.02	57.48	-	-
Mr. Avinash Chandra	-	-	12.89	10.40	-	-
Defined benefit obligations	**-**	**-**	**9.44**	**43.27**	**-**	**-**
Mr. Himanshu Baid	-	-	4.45	23.26	-	-
Mr. Rishi Baid	-	-	3.91	18.76	-	-
Mr. J. K. Oswal	-	-	1.03	1.07	-	-
Mr. Avinash Chandra	-	-	0.05	0.18	-	-
Share based payment	**-**	**-**	**-**	**0.33**	**-**	**-**
Mr. J. K. Oswal	-	-	-	0.33	-	-
Salary and perquisites	**-**	**-**	**114.99**	**106.48**	**-**	**-**
Mr. Vishal Baid	-	-	114.99	106.48	-	-
Salary and perquisites	**-**	**-**	**13.24**	**-**	**-**	**-**
Mr. Dhruv Baid	-	-	13.24	-	-	-
Commission and Sitting fees	**-**	**-**	**101.75**	**73.25**	**-**	**-**
Mr. J. K. Baid	-	-	12.25	11.75	-	-
Mrs. Mukulika Baid	-	-	12.25	11.75	-	-
Mr. Devendra Raj Mehta	-	-	13.75	13.25	-	-
Mr. Prakash Chand Surana	-	-	13.75	12.50	-	-
Mr. Shailendra Raj Mehta	-	-	13.00	12.00	-	-
Dr. Sandeep Bhargava	-	-	12.75	12.00	-	-
Mr. Amit Khosla	-	-	13.00	-	-	-
Mrs. Sonal Mattoo	-	-	11.00	-	-	-
Management Fee	**-**	**-**	**192.51**	**209.31**	**-**	**-**
Mr. Alessandro Balboni	-	-	192.51	209.31	-	-

Outstanding balances at the year end

(₹ in Lacs)

Particulars	Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020
Dividend/Share Governing Council outstanding	**65.07**	**45.46**	**-**	**-**	**-**	**-**
Ultra for Medical Devices	65.07	45.46	-	-	-	-
Directors' Remuneration / Salary payable	**-**	**-**	**570.64**	**331.90**	**-**	**-**
Mr. Himanshu Baid	-	-	279.01	161.23	-	-
Mr. Rishi Baid	-	-	279.78	162.70	-	-
Mr. Vishal Baid	-	-	4.50	4.33	-	-
Mr. Dhruv Baid	-	-	4.97	-	-	-
Mr. J. K. Oswal	-	-	1.84	3.10	-	-
Mr. Avinash Chandra	-	-	0.54	0.54	-	-
Commission Payable	**-**	**-**	**66.60**	**48.60**	**-**	**-**
Mr. J. K. Baid	-	-	8.33	8.10	-	-
Mrs. Mukulika Baid	-	-	8.33	8.10	-	-
Mr. Devendra Raj Mehta	-	-	8.33	8.10	-	-
Mr. Prakash Chand Surana	-	-	8.33	8.10	-	-
Mr. Shailendra Raj Mehta	-	-	8.33	8.10	-	-
Dr. Sandeep Bhargava	-	-	8.33	8.10	-	-
Mr. Amit Khosla	-	-	8.33	-	-	-
Mrs. Sonal Mattoo	-	-	8.33	-	-	-
Management Fee & Other Payable	**-**	**-**	**16.48**	**13.99**	**-**	**-**
Mr. Alessandro Balboni	-	-	16.48	13.99	-	-
Trade Receivable	**382.41**	**495.29**	**-**	**-**	**-**	**26.96**
Virtomed Healthcare	-	-	-	-	-	26.96
Ultra for Medical Products	382.41	495.29	-	-	-	-
Trade Payable / Payable for capital goods	**-**	**-**	**-**	**-**	**-**	**406.30**
Virtomed Healthcare	-	-	-	-	-	406.30
Ultra for Medical Products	-	-	-	-	-	-
Advance from customer	**-**	**31.60**	**-**	**-**	**-**	**-**
Ultra for Medical Products	-	31.60	-	-	-	-

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Net profit after tax available for equity share holders (₹ In lacs)	13,586.02	9,587.79
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	8,90,83,537	8,82,46,980
Basic Earnings per Share (in ₹)	15.25	10.86
Diluted Earnings per Share		
Weighted Average no. shares outstanding during the year	8,90,83,537	8,82,46,980
Effect of dilutive issue of stock options	71,886	34,378
Weighted Average no. shares outstanding for diluted EPS	8,91,55,424	8,82,81,358
Diluted Earnings per Share (in ₹)	15.24	10.86

41 EMPLOYEE BENEFIT:

As per Ind AS - 19 "Employee Benefits", the disclosures are as under:

I Defined Contribution Plan - Provident Fund

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

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Employers' contribution to provident fund * #	573.09	583.46

* incuded in "contribution to provident fund and others" under employee benefit expenses (refer note no. 28)
# excluding contribution to provident fund transferred to Research and Development Expenses ₹ 12.74 lacs (PY ₹ 12.56 lacs).

II Defined Benefit Plan

The company has formed a employees gratuity trust which is administrated by Life Insurance Corporation of India (LIC). The company makes contribution towards funding the defined benefit plan pertaining to gratuity to LIC. The Leave Encashment liability is not contributed to any fund and is unfunded. The present value of the defined benefit obligation and related current cost are measured using projected unit credit method with actuarial valuation being carried out at balance sheet date. The amount recognised are as under:

a) Gratuity (Funded)

(i) Present Value of Defined benefit Obligation

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Obligations at year beginning	**333.23**	**321.58**
Service Cost - Current	57.03	50.93
Service Cost - Past	-	-
Interest expenses	23.06	24.60
Actuarial (gain) / Loss on PBO	(14.53)	(38.98)
Benefit payments	(16.50)	(24.91)
Addition due to transfer of employee	-	-
Obligations at year end	**382.28**	**333.23**

(ii) Change in plan assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Fair value of plan assets at the beginning of the year	**161.91**	**157.55**
Actual return on plan assets	11.62	12.16
Less- FMC Charges	(0.96)	(0.90)
Employer contribution	125.00	18.00
Benefits paid	(16.50)	(24.91)
Fair value of plan assets at the end of the year	**281.06**	**161.91**

(iii) Assets and Liabilities recognized in the Balance Sheet

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	**31 March 2020**
Present Value of the defined benefit obligations	382.28	333.23
Fair value of the plan assets	281.06	161.91
Amount recognized as Liability	**101.22**	**171.32**

(iv) Defined benefit obligations cost for the year:

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	**31 March 2020**
Service Cost - Current	57.03	50.93
Service Cost - Past	-	-
Interest Cost	11.86	12.55
Expected return on plan assets	-	-
Actuarial (gain) loss	-	-
Net defined benefit obligations cost	**68.88**	**63.48**

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	**31 March 2020**
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	14.53	38.98
Actuarial gain /(loss) for the year on Asset	(0.55)	(0.79)
Unrecognized actuarial gain/(loss) for the year	**13.98**	**38.19**

(vi) Investment details of Plan Assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	**31 March 2020**
The details of investments of plan assets are as follows:		
Funds managed by Insurer	100%	100%
Total	**100%**	**100%**

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vii) Actuarial assumptions:

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	**31 March 2020**
Discount Rate per annum	6.79%	6.92%
Future salary increases	4.00%	4.00%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(viii) Demographic Assumptions:

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

(₹ in Lacs)

Particulars		Year ended	
		31 March 2021	31 March 2020
i)	Retirement Age (Years)	60.00	60.00
ii)	Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	
iii)	Attrition at Ages	" Withdrawal Rate (%) "	
	Up to 30 Years	3.00	3.00
	From 31 to 44 years	2.00	2.00
	Above 44 years	1.00	1.00

(ix) Amount recognized in current year and previous four years:

(₹ in Lacs)

Particulars	Year ended				
	31-03-2021	31-03-2020	31-03-2019	31-03-2018	31-03-2017
Defined benefit obligations	382.28	333.23	321.58	268.28	260.83
Plan assets	(281.06)	(161.91)	(157.55)	(137.22)	(5.00)
Deficit /(Surplus)	**101.22**	**171.32**	**164.03**	**131.06**	**255.83**

(x) Expected Contribution to the Fund in the next year

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Service Cost	72.35	65.87
Net Interest Cost	6.87	11.86
Expected contribution for next annual reporting period	79.23	77.73

(xi) Sensitivity Analysis

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is :

(₹ in Lacs)

Particulars	Change in Assumption		Increase in Assumption			Decrease in Assumption		
	31-03-2021	31-03-2020	Impact	31-03-2021	31-03-2020	Impact	31-03-2021	31-03-2020
Discount Rate per annum	0.50%	0.50%	Decrease by	(23.37)	(20.65)	Increase by	25.72	22.75
Future salary increases	0.50%	0.50%	Increase by	24.88	21.85	Decrease by	(22.71)	(19.91)

The above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the defined benefit liability recognised in balance sheet.

(xii) Maturity Profile of Defined Benefit Obligation

(₹ in Lacs)

Sr. No.	Year	Amount
a	0 to 1 Year	25.66
b	1 to 2 Year	6.04
c	2 to 3 Year	6.28
d	3 to 4 Year	7.74
e	4 to 5 Year	11.13
f	5 to 6 Year	7.70
g	6 Year onwards	317.74

(xiii) Risk exposure

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

A) **Salary Increases:** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) **Investment Risk:** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) **Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) **Mortality & disability:** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) **Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

b) Leave Encashment (Unfunded)

The Leave Encashment liability of ₹ 174.03 lacs form part of long term provision ₹ 155.42 Lacs (PY ₹ 143.67 Lacs) and short term provision ₹ 18.61 Lacs (PY ₹ 18.05 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

42 Borrowing cost of ₹ 4.15 lacs (Previous Year ₹ 5.97 lacs) have been included in capital work in progress.

43 SEGMENT INFORMATION:

Description of segment and principal activity.

The Group is primarily in the business of manufacture and sale of medical devices. Operating segments are reported in the manner consistent with internal reporting to Managing director of the company. The Group has regular reviews procedures in place and Managing director reviews the operations of the Group as a whole, Hence there are no reportable segments as per Ind AS 108 Operating segment.

Information about Geographical areas

The following information discloses revenue from customers based on geographical areas.

i) Revenue on product group wise (Ind AS 108, Para 32)

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Medical Devices	77,503.53	66,926.17
	77,503.53	**66,926.17**

ii) Revenue as per geographical area (Ind AS 108, Para 33 (a))

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
With in India	22,562.28	18,683.89
Outside India	54,941.25	48,242.28
	77,503.53	**66,926.17**

iii) None of the non-current assets of standalone company (other than financial instruments, investment in associates) are located outside India. The non-current assets of foreign subsidiaries (other than financial instruments, goodwill and investment) located outside India are as under:

Country where assets are located

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
China	461.85	488.29
Netherlands	0.73	0.97
Italy	307.78	198.02
	770.36	**687.29**

iv) None of the customers of the Group individually account for 10% or more sale.

44 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of expenditure incurred on CSR are as under:

(₹ in Lacs)

S. No.	Particulars	Year ended	
		31 March 2021	31 March 2020
a	The Gross amount required to be spent by the company during the year as per Section 135 of Companies Act 2013 read with Schedule VII	211.78	174.71
b	Amount spent during the year on:		
	i Construction / acquisition of any assets	-	-
	ii On purposes other than (i) above	247.72	237.72
c	Unspent amount in CSR	-	-
d	The breakup of expenses included in amount spent are as under:		
	Particulars		
	Animal protection	-	0.50
	On food relief activity	-	1.00
	On promoting education	7.55	43.31
	Social welfare	26.63	0.78
	On promotion of Healthcare	-	3.00
	Promoting gender equality & empower women	-	1.02
	On Covid 19 related assistance/Specific products	123.41	
	Contribution to CSR Eligible Trust,Foundation & Society	90.14	188.10
	Total	**247.72**	**237.72**

45 SHARE BASED PAYMENTS:

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

- The vesting period is as under:

- On completion of 24 months from the date of grant of Options - 50%

- On completion of 30 months from the date of grant of Options- 50%

- The exercise price of the option is ₹ 50 each, which are to be paid by the employees to the Company on the exercise of the options.

The exercise period commences from the date of vesting of the options and expires at the end of 3 months from the date of such vesting or such extended period. Out of total 20,100 Equity Shares vested during 2018-19, 10,050 Equity Shares of ₹ 5 each was exercised during 2018-19 and balance 10,050 equity shares in 2019-20.

'The company has also formulated "Poly Medicure Employee Stock Option Scheme, 2016 (ESOS 2016)" duly approved by the share holders in the annual general meeting held on 27th Sep 2016,in accordance of which the ESOP Commitee of Board of Directors of the company held on 27th sep 2016 has granted 42950 equity shares to eligible employee on the following terms & Conditions:

All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting,failing which the option shall lapse, or such other date as decided by the compensation committee.

Provided, however that in case of cessation of employment,the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.

The vesting period for the conversion of options are as follows:

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

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

'The company has also formulated "Poly Medicure Employee Stock Option Scheme, 2020 (ESOP 20120)" duly approved by the share holders in the annual general meeting held on 29th Sept 2020 in accordance of which the ESOP Commitee of Board of Directors of the company held on 6th November 2020 has granted 63100 equity shares to eligible employees on the following terms & Conditions:

All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting,failing which the option shall lapse, or such other date as decided by the compensation committee.

Provided, however that in case of cessation of employement,the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.

The vesting period for the conversion of options are as follows:

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

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

a Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOS 2015)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value at Grant
(Year of Grant)				
2016-17	23500	2018-19	50	296

No Stock option is pending against ESOP scheme 2015

b Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOS 2016)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value at Grant
(Year of Grant)				
2019-20	42950	2021-22 2022-23	50	147

c Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOP 2020)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value at Grant
(Year of Grant)				
2020-21	63100	2022-23 2023-24	100	374

d Movement of share options during the year

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of share options	Exercise Price	Number of share options	Exercise Price
Balance at the beginning of the year	41,550	50	10,050	50
Granted during the year (ESOP-2020)	63,100	100	-	-
Granted during the year (ESOS 2016)	-	-	42,950	50
Forfeited during the year	1,850	-	1,400	-
Exercised during the year (ESOS 2015)	-	-	10,050	50
Expired / Lapsed during the year	-	-	-	-
Balance Options to be be exercised at the end of the year	1,02,800	50 & 100	41,550	50

e Compensation expenses arising on account of share based payments

(₹ in Lacs)

Particulars	Year ended	
	31 March 2021	31 March 2020
Share based payment expenses to employees	64.73	13.89
Total	**64.73**	**13.89**

e Fair value on grant date

The fair value on grant date is determined using Black Scholes Model which takes into account exercise price, terms of option, share price at grant date and expected price volatility of the underline shares, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted

Particulars			ESOS 2015	ESOS 2016	ESOS 2020
a	Exercise price		50	50	100
	b	Grant date	2nd June 2016	3rd June 2019	29th Sep 2020
	c	Vesting year	2018-19	2021-22	2022-23
				2022-23	2023-24
d	Share price at grant date		350	195	463
e	Expected price volatility of the company share		20% to 25%	20% to 25%	20% to 25%
f	Expected dividend yield		1.18%	0.86%	0.43%
g	Risk free interest rate		6.50%	6.92%	6.00%

The expected price volatility is based on the historic volatility.

46. Additional Information Pursuant to Schedule III of The Companies Act 2013:

Name of the entity	Net Assets		Share in profit (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount
Subsidiary Companies				
Poly Medicure (Laiyang) Co. Ltd, China	**0.64%**	**617.55**	**1.75%**	**237.27**
Polymed BV, Netherlands, (Consolidated)	**3.71%**	**3,577.85**	**1.09%**	**147.78**
Plan 1 Health India Pvt Ltd.	**0.00%**	**0.22**	**0.00%**	**(0.45)**
Associate Company				
Ultra for Medical Products, Egypt	-	-	**2.44%**	**331.07**

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

47. During the year ended 31st March 2019, the company had invested a sum of ₹ 3417.79 lacs in Poly Medicure BV, Netherlands, where by Poly Medicure BV, Netherlands became wholly owned subsidiary company of the company. Poly Medicure BV Netherlands invested ₹ 3348.36 lacs in Plan 1 Health Italy, where by Plan1 Health became step subsidiary of the company. The consolidated financial statement of Poly Medicure BV have been consolidated in the consolidated financial statements. Goodwill amounting to ₹ 2858.11 Lacs have been created on consolidation. Goodwill of ₹ 2858.11 Lacs has been (CGU) allocated to Plan 1 Health Italy business only. The estimated value in use of this CGU is based on future cash flows using a 20 % weighted annual growth rate for forecast periods of 5 years and discount rate of 9 % .An analysis of the sensitivity of the computation to a change in key parameters (i.e. operating margin discount rate and long term average growth rate) based on reasonable assumption did not identify any probable scenario in which the recoverable amount of the CGU would decrease its carrying amount, accordingly, no impairment in value of goodwill on consolidation have been made.

As per Dutch GAAP (applicable to Polymedicure BV Netherlands) goodwill is measured at cost less accumulated amortisation and is amortised over useful life of 20 years whereas as per Ind AS, Goodwill is tested for impairment and not amortised. Suitable adjustment has been made in consolidated financial statements in this regard to follow uniform accounting policies applicable under Ind AS.

Other suitable adjustments to follow uniform accounting policies applicable under Ind AS has also been made in consolidated financial statement,wherever accounting policies followed/adopted by subsidiary companies are different.

48. During the year ended 31st March, 2021, the company has issued 76,33587 equity shares of ₹ 5/- each at premium of ₹ 519/- each (Issue Price per share ₹ 524/- each) amounting to ₹ 40,000 lacs to Qualified Institutional Investors on QIP basis. The proceeds of QIP have been utilized as per details given below: -

S.No	Particulars	Amount (₹ in Lacs)
1	QIP share issue expenses(including GST of ₹ 105.59 lacs)	799.09
2	Repayment/Prepayment of debts and working capital	6235.8
3	Amount temporarily invested in fixed deposits and liquid mutual funds pending utilisation	32965.11
	Total	**40000.00**

49. Standards issued and amended but not effective

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments thereto. There is no such notification which would have been made applicable from Ist April, 2021.

50. Events after the reporting date

Dividends declared by the company are based on the profits available for distribution. On 24th May 2021, the Board of directors have proposed a final dividend of ₹ 2.50/- per share in respect of the year ended March 31 2021 subject to approval of shareholders at the Annual General Meeting. The proposal is subject to approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow approximately ₹ 2397.01 Lacs..

51. Previous year figures have been regrouped or reclassified to confirm current year classification.

As per our auditor's report of even date annexed

For M C BHANDARI & Co. (Reg no.303002E)
Chartered Accountants

For and on behalf of the Board of Directors

Rabindra Bhandari
Partner
Membership No. 097466

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

Place : New Delhi
Date : 24.05.2021

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

(₹ in Lacs)

1.	Sl. No.	1	2	3
2.	Name of the subsidiary	Poly Medicure (Laiyang) Co. Ltd., China	Poly Medicure B.V., Netherlands, Consolidated	Plan1 Health India Pvt. Ltd.
		Audited	Management Certified	Audited
3	Reporting period for the subsidiary concerned	31st March 2021	31st March 2021	31st March 2021
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	CNY	EURO	Rupee
		1 CNY=11.1705 INR	1 EURO=85.80 INR	
5	Share capital	872.38	1,055.34	1.00
6	Reserves & surplus	(254.83)	2,522.50	(0.78)
7	Total assets	1,652.48	5,123.93	0.58
8	Total Liabilities	1,034.93	1,546.09	0.36
9	Investments	-	-	-
10	Turnover	1,512.60	2,812.00	-
11	Other Income	2.51	-	-
12	Profit (Loss) before taxation	237.27	178.58	(0.45)
13	Provision for taxation	-	30.81	0
14	Profit (Loss) after taxation	237.27	147.77	(0.45)
15	Proposed Dividend	-	-	-
16	% of shareholding	100%	100%	100%

Part "B": Associates

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

(₹ in Lacs)

Name of Associates	Ultra For Medical Products Company (UMIC), Egypt
Latest audited Balance Sheet Date	31st December 2020
Shares of Associate held by the company on the year end	
No.	1,26,500
Amount of Investment in Associates	88.67
Extend of Holding %	23%
Description of how there is significant influence	Holding more than 20% of share capital and participation in decision making process.
Reason why the associate is not consolidated	N.A.
Net worth attributable to Shareholding as per latest audited Balance Sheet	851.67
Profit for the year	
Considered in Consolidation	331.07
Not Considered in Consolidation	1,112.77

We Care As We Cure

If undelivered, please return to:

POLY MEDICURE LIMITED
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Plants:
Unit-I : Plot No. 104-105, Sector-59, HSIIDC Industrial Area, Ballabgarh, Faridabad-121004 (Haryana)
Unit-II : Plot No. 115-116, Sector-59, HSIIDC Industrial Area, Ballabgarh, Faridabad-121004 (Haryana)
Unit-III : Plot No. 17, Sector-3, I.I.E Sidcul, Haridwar-249403 (Uttarakhand)
Unit-IV : Plot No. PA010-019, Mahindra World City, (SEZ) Jaipur - 302037 (Rajasthan)
Unit-V : Plot No. 34, Sector-68, IMT, Faridabad-121004 (Haryana)