We Care As We Cure

Poly Medicure Limited
Annual Report 2018-19

Medical Devices Company of the Year 2018

by the Department of Pharmaceuticals Ministry of Chemicals & Fertilizers, Government of India

POLYMED Receives "India Medical Devices Company of the Year Award"

POLYMED has been awarded the prestigious "India Medical Devices Company of the Year Award" presented to our Managing Director, Mr. Himanshu Baid by The Department of Pharmaceuticals, Government of India during the 4th International Conference on Pharmaceutical & Medical Device on 18th Feb 2019.

Corporate Information

Board of Directors

Chairman
Devendra Raj Mehta

Non-Executive Independent Directors
Prakash Chand Surana
Shailendra Raj Mehta
Sandeep Bhargava

Non-Executive Directors
Jugal Kishore Baid
Mukulika Baid
Alessandro Balboni

Managing Director
Himanshu Baid

Executive Director
Rishi Baid

Company Secretary
Avinash Chandra

Chief Financial Officer
J.K. Oswal

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

Auditors
M/s. Doogar & Associates
13, Community Center, East of Kailash
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. B.K. Sethi & Co.
New Delhi

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

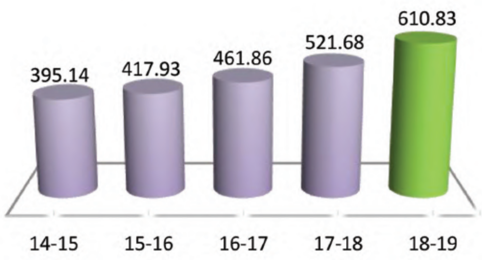
Registered Office
232B, 3rd Floor, Okhla Industrial Estate, Phase III
New Delhi – 110020 (India)
Tel No.: 91 11 - 26321838, 81, 89, 93
Fax No.: 91 11 – 26321839, 94
Email: investorcare@polymedicure.com
Website: www.polymedicure.com
CIN: L40300DL1995PLC066923

AGM Venue
Alpha Hall, 2nd Floor, National Co-operative Union of India, 3, Siri Institutional Area,
August Kranti Marg, New Delhi- 110016

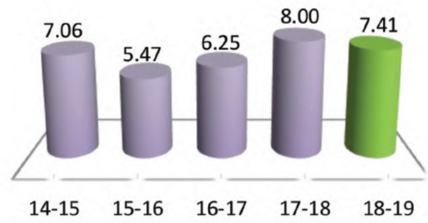
Inside this Report:

Key Performance Indicators (Consolidated):

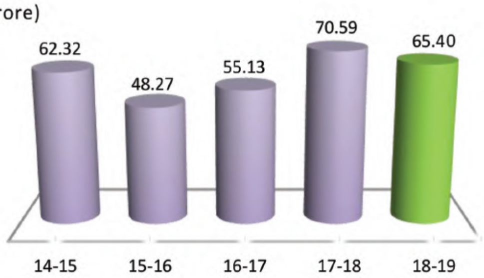
Revenue (₹ Crore)



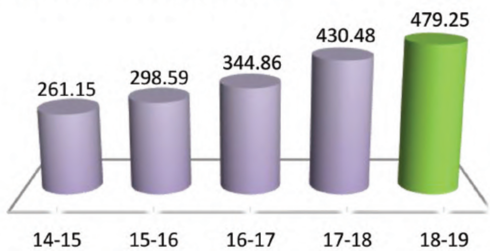
EPS (₹) Adjusted with bonus



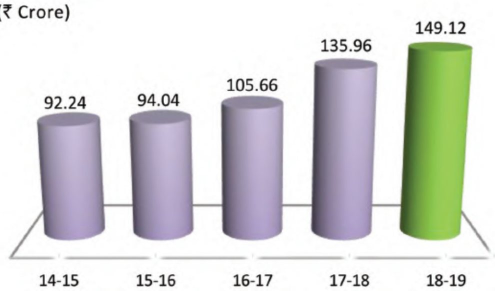
PAT (₹ Crore)



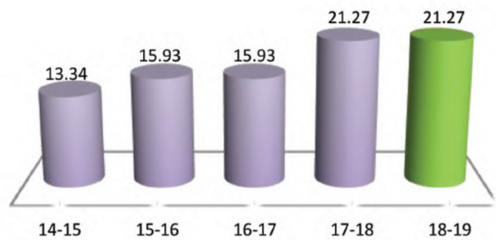
Gross Fixed Assets (₹ Crore)



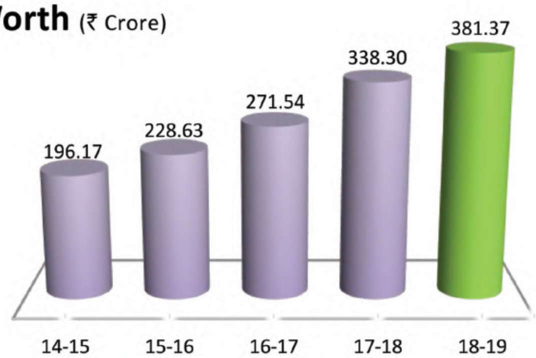
EBITDA (₹ Crore)



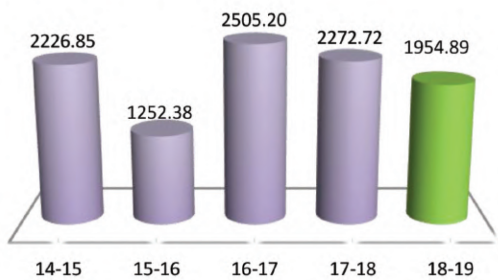
Proposed Dividend (₹ Crore), inclusive of tax



Net Worth (₹ Crore)



Market Capitalisation (₹ Crore)



Note: Details of Financial Year 2018-19, 2017-18 & 2016-17 are as per IND-AS and Financial Year 2014-15 & 2015-16 are as per IGAAP

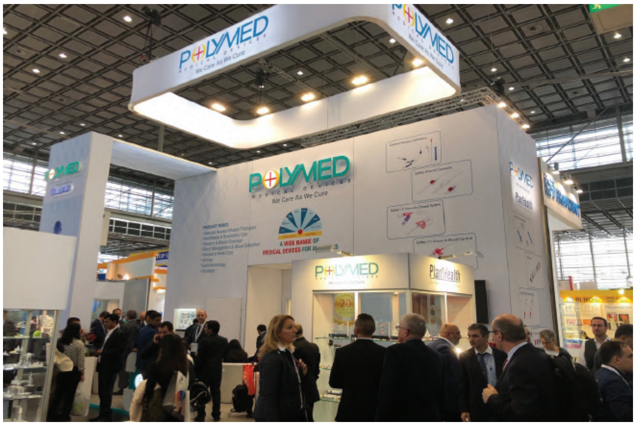
Awards and Recognitions

Polymed has received "Dare to Dream Award" by ZEE Business in the category of emerging Company of the year.

Poly Medicure Limited received "Export Excellence Award" by FIA (Faridabad Industries Association). Haryana for the year 2018-19

Poly Medicure Limited received "Star Performer Award " by EEPC India Regional Award (Northern) for Export Excellence on July 20, 2019, Shimla, Himachal Pradesh.

Participation in Various Exhibitions outside India



MEDICA 2018, Germany

Wocova, 5th World Congress on Vascular Access 2018

HOSPITALAR SHOW, Brazil, 2018

ARAB HEALTH Exhibition 2019, Dubai

FIME 2018, Miami, USA

GIFAV Congress in Paris, 2019

Global Product Trainings to Business Partners & Hospitals

Overseas Business Partner Training in Europe

Hospital Training in South East Asia

Hospital Training in Middle East

Hospital Training in Europe

Hospital Training in Europe

Clinical Engagement Programme Conducted in Various Hospitals

Fortis Hospital, Mohali

Sree Gokulam Hospital, Trivandrum

Vydehi Institute of Medical Science, Karnataka

Kims Hospital, Telangana

Participation in various exhibitions in India

Medical Fair, India

ISNCON Fair, Odisha

Manufacturing Excellence

Injection Moulding Facility

Automated assembly machine-3 Way Stop Cock

Automated assembly machine-Blood Line

Automated assembly machine-Stop Cock

Automated Assembly Machine

Automated Assembly Machine

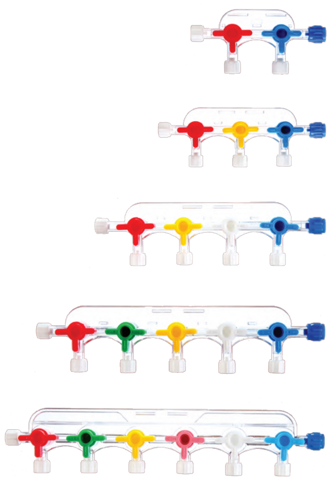
New Product Launches in F.Y. 2018-19

Closed System I.V. Cannula

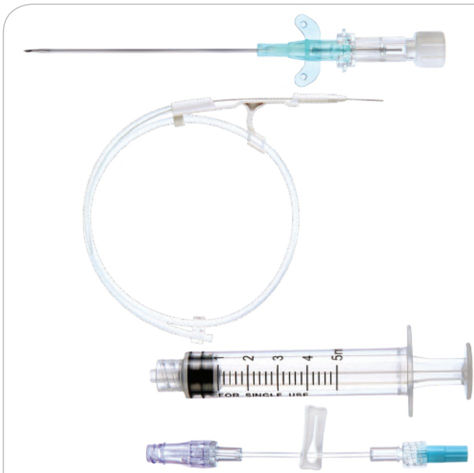
Safety Arterial Catheter

Dialyzer

Flashback Needle



Manifolds

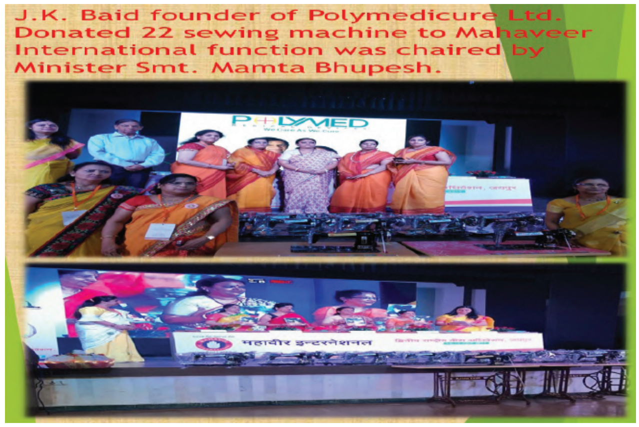


Over the Needle-Mini Mid Line

Over the Wire-Mini Mid Line

Highlights of CSR Initiatives and Projects

Trainings for girls Health and hyegine
at Govt. Schools



Donation of sewing machines to women for
self employment

Distribution of notebooks in various govt
schools

Distribution of School Essentials

Animal Welfare

Animal Welfare

Financial Highlights (Standalone)

(₹ in lacs)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Revenue from Operations (Net)	58,669.05	50,969.93	44,635.32	40,015.44	37,847.82
Total Revenue	60,253.03	52,406.88	45,970.78	40,853.94	38,669.89
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	14,814.93	13,425.76	10,571.18	9,284.65	9,085.46
Depreciation and Amortisation	3,636.39	2,840.66	2,295.51	2,018.79	1,808.99
Exceptional Income	-	-	-	-	1,957.80
Profit For the Year (PAT)	6,628.39	7,019.83	5,619.93	4,730.74	6,101.72
Equity Dividend %*	40%	40%	30%	30%	25%
Dividend Proposed (including tax)	2127.57	2127.24	1,592.82	1,592.82	1,333.60
Equity Share Capital	4,411.85	4,411,34	4,411.34	2,205.67	2,205.67
Reserves and Surplus	33,566.14	29,039.90	22,506.33	20,177.89	16,991.29
Net Worth	37,977.99	33,451.24	26,917.67	22,383.56	19,196.96
Gross PPE	46,090.17	41,728.70	33,347.17	28,845.98	25,214.44
Net PPE	26,854.00	25,608.79	20,049.12	17,725.00	16,065.96
Total Assets	63,315.23	55,463.35	44,886.01	37,585.03	35,445.67
Number of Employees	1952	1926	1661	1594	1586

Key Indicators

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Earnings Per Share - (₹)*	7.51	7.96	6.37	5.36	6.92
Cash from Operations per share (₹)*	12.72	8.55	6.24	7.04	7.17
Book Value Per Share - (₹)*	43.04	37.92	30.51	25.37	21.76
Debt : Equity Ratio	0.40:1	0.38:1	0.36:1	0.35:1	0.40:1
EBDIT/ Net Turnover %	24.59%	25.62%	23.00%	23.05%	23.79%
Net Profit Margin %	11.00%	13.39%	12.23%	11.74%	15.98%
RONW %	17.45%	20.99%	20.88%	21.13%	31.78%

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

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

Note:

Details of Financial Year 2018-19, 2017-18 & 2016-17 are as per IND-AS and Financial Year 2014-15 & 2015-16 are as per IGAAP

LETTER FROM THE CHAIRMAN

Dear Shareholders,

I am delighted to share with you, that our strategy to put energy where it matters, for increased focus and efficiency to accelerate growth has borne fruitful results. I am very happy to share with all of you that your Company has been recognized as the **"Indian Medical Devices Company of the Year 2018"** by Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India on 18th February, 2019. This recognition is a reflection of our commitment to bring high-quality affordable medical technologies to solve the pressing healthcare needs of the Country.

This award was handed over by Union Minister Shri DV Sadananda Gowda, Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India. Department of Pharmaceuticals is the nodal body for promotion of medical devices in the Country.

I am happy to share that your Company has achieved net sales of ₹ 610.83 Crores as against the net sales of ₹ 521.68 Crores in the previous financial year, which has registered a growth of 17.08% from last financial year to current financial year. EBITDA has increased to ₹ 149.12 Crores as from ₹ 135.96 Crores in the preceding year. During the same period, we have achieved profit after tax of ₹ 65.40 crore.

Your Company has also received **"top exporter award"** by The Plastics Export Promotion Council, Dept of Commerce, Govt. of India, **"Star Performer Award"** by EEPC India regional award (Northern) for Export Excellence, **"Dare to Dream Award"** by ZEE Business in the category of emerging Company of the year and **"Export Excellence Award"** by FIA (Faridabad Industries Association), Haryana for the year 2018-19.

Ayushman Bharat - PMJAY, launched on 23rd September 2018, is the future of India's healthcare ecosystem. The largest public funded scheme in the world is undoubtedly a gigantic scheme with a very big vision and we are all hopeful of many positive outcomes.

The "Ayushman Bharat" is a path-breaking initiative of the Government of India, and is expected to impact positively across all levels of care. It has opened up multiple avenues for growth of Medical Devices Industry. Some of the key highlights are:

- Increased demand for medical devices
- Increased collaboration opportunities with the government specially in the sectors of primary care and diagnostics
- Increased collaboration opportunities with private healthcare providers
- Boost medical devices manufacturing in India

The CSR policy of the Company is based on the core belief of compliance of social responsibilities. Corporate Social Responsibility is basically a continuous ongoing process whereby the Company contributes to the betterment of Society and a cleaner and greener environment. The Company contributes in following area as a part of its CSR Activities:

- On food relief Activities
- On Promotion of Education through distribution of books and stationery and building toilets in schools for girls.

- On Social Welfare and welfare for disabled persons
- On promotion of Healthcare through Project "Baala", an initiative for female Health & Hygiene.
- On Animal Protection projects

Our portfolio of Vascular Access & Infusion Medical Devices has been further strengthened through the acquisition of Plan1 Health s.r.l., an Italy based manufacturing Company. By this acquisition, the Company is also being able to offer a complete range of Vascular Access Devices in Oncology space (cancer care treatment).

Some of the key products are:

- Short PIVC's (Peripheral IV Cannula)
- Mini MID Lines
- MID Lines
- CVC (Central Venous Catheters)
- PICC (Peripherally Inserted Central Venous Catheters)
- PICC Ports

Polymed continues to forge ahead, with a relentless drive that was set into motion over two decades ago. With the vision of our founders, the support of our partners, stakeholders and customers, and the strength of our institution and our people, we continue to move beyond horizons, and beyond the conventional.

In conclusion, in 2018-19, POLYMED raised the bar on performance on all fronts. Our success, without doubt, is owed to the committed management, employees and the unrelenting support of our partners. I would like to acknowledge the team and hope they will continue to excel undeterred in their endeavors.

It is equally important to acknowledge the resolute faith and support of our Board of Directors, shareholders, dealers, suppliers, financial institutions and everyone else, who has been with us on this journey. I would like to extend my deepest gratitude to them and hope to see our Company grow an even stronger bond with all our stakeholders.

D. R. Mehta
Chairman

New Delhi
12th August 2019

LETTER FROM MANAGING DIRECTOR

Dear Shareholders,

Your Company received the "Medical Device Company of the Year 2018", award from Department of Pharmaceuticals, Government of India - Biggest recognition and Achievement since inception of the company. The award was conferred based on Company's export performance, R&D efforts and New Product launches. With excellence in R&D, innovations and quality, we are able to manufacture best-in-class products and provide good quality at lower cost. Your Company is also the largest exporter of Medical Devices from India for the last 6 years in a row exporting to 105 countries.

Financial Review and Business Prospects

With immense pleasure I would like to share with you the financial performance of your Company for the financial year ending March 31, 2019.

Your Company has achieved net sales of ₹ 610.83 Crores as against the net sales of ₹ 521.68 Crores in the previous financial year, which has registered a growth of 17.08% from last financial year to current financial year. EBITDA improved to ₹ 149.12 Crores from ₹ 135.96 Crores in the preceding year. Your Company is one of the Fastest Growing Medical Devices Company's in India.

The Company's wholly owned subsidiary Poly Medicure B.V. Netherlands has acquired the balance 18% stake in Plan1 Health s.r.l., Italy and now become wholly owned subsidiary of Poly Medicure B.V. With this 100% acquisition, our Company now has full control of operations. By addition of products made by Plan1Health, your company has become one of the few companies in the world that can offer large range of Vascular Access devices and cover the whole spectrum.

Dividend Outlook

Your Company has maintained reasonable profitability and continued the practice of rewarding its stakeholders with handsome dividends. The Board has recommended a final dividend of ₹ 2.00 per equity share of the face value ₹ 5 each for the Financial Year ended on 31st March 2019.

Business Goals and Future Outlook

The Medical Technology industry plays a crucial role throughout the healthcare lifecycle and has been instrumental in transforming healthcare ecosystems across the world. For India too, the MedTech industry offers the potential to address the healthcare issues by using a mix of nascent as well as advanced technologies.

Your Company is more focusing on Clinical Trainings which will enhance POLYMED's brand recognition in the Healthcare industry. Your Company is expanding its product basket in each of the business verticals and making new investments for increasing capacity for domestic as well export business and developing new products. A new manufacturing plant will come up in Mahindra SEZ, Jaipur by early next year.

Your company is poised for greater growth in coming years. Main contributing factors are:

- Higher Medical Devices consumption expected in India due to implementation of Aayushman Bharat. This Universal Healthcare Insurance Scheme in India will be a big game changer for the Medical Devices industry.
- Preferential Purchases of domestically manufactured goods in India by the government.
- New Regulatory changes – Medical Devices Rules implemented from January 2018. Now all Medical Devices will get regulated under new rules which will bring in standardization of products and improve patient safety & quality.
- National Medical Device Promotion Council - Under

Ministry of Commerce & Industry, Department of Industry Policy & Promotion (DIPP): The setting-up of the Council will boost domestic manufacturing as it will act as a facilitating promotional & developmental body for the Indian Medical Devices Industry.

- Higher Private Insurance penetration driving the consumption of medical devices
- Higher growth expected in Renal Care & Diagnostic industry

Your Company future plan includes:

- Commercializing new products faster
- Increase foot print in developed countries
- Increase frequency of Clinical Engagement Programs
- Partnership with leading Medical Colleges & research based organizations
- Integrate sustainability principal in our Innovation and manufacturing

Your Company creating value by developing innovative healthcare products, which are safe for medical fraternity and patients, curing Millions of patients daily with products manufactured in POLYMED plants across Four Countries.

Acknowledgement

Your Company's mission is to excel in designing & delivering of medical devices with user friendliness and safety features using latest technology to earn trust and confidence of all stakeholders. In order to achieve higher growth and peak performance, we need to focus of three things: **Simplicity, Synergy & Scale.**

To thrive in a world of rapid changes, we need to reduce complexity across business and simplify process and make our Company more impactful. We are privileged to have a unique ecosystem to leverage ideas, knowledge, expertise and scale as well as work together to create new Innovation products.

I would like to thank all my colleagues for their hard work, passion, and the part they have played in our company's success. We look forward to take POLYMED to new heights and generate sustainable value for all stakeholders. I would also like to accord my sincere appreciation to the Board of Directors for the continuous guidance and encouragement.

Finally, I would like to extend my sincere gratitude to all our shareholders, stakeholders, bankers, customers, suppliers for their continuous support in development and growth of the Company. I look forward to your guidance and encouragement to help your Company scale newer heights in the coming years and continue on our efforts to provide affordable, high quality and cost efficient products to the patients.

Himanshu Baid
Managing Director

New Delhi
12th August 2019

NOTICE

Notice is hereby given that the 24th Annual General Meeting (AGM) of the members of **"Poly Medicure Limited"** will be held on Monday, the 23rd September, 2019 at 10:00 a.m. at Alpha Hall, 2nd Floor, National Co-operative Union of India, 3, Siri Institutional Area, August Kranti Marg, New Delhi-110016, to transact the following business:

Ordinary Business

1. To receive, consider and adopt
   - the Audited Standalone Financial Statement for the Financial Year ended 31st March, 2019 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, 2019 together with the report of Auditors thereon.
2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2019.
3. To appoint a Director in place of Smt. Mukulika Baid (DIN: 02900103) who retires by rotation and being eligible offers herself for re-appointment.
4. To Appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies(Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto) and pursuant to the recommendation of the Audit Committee M/s. M. C. Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E) be appointed as Statutory Auditors of the Company, in place of retiring Auditors M/s. Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N) to hold office from the conclusion of this 24th Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company, at such remuneration and out of pocket expenses, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

Special Business

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other rule, laws and regulation as may be applicable in this regard and and on the basis of recommendation of Nomination and Remuneration Committee, approval of members be and is hereby granted to re-apoint, Shri Devendra Raj Mehta (DIN: 01067895) who is above the age of 75 years, who was appointed as an independent director and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a director, as an Independent Director of the Company not liable to retire by rotation, for a further term not exceeding 5 (Five) consecutive years for a term up to the conclusion of 29th Annual General Meeting of the Company."

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other rule, laws and regulation as may be applicable in this regard and on the basis of recommendation of Nomination and Remuneration Committee, approval of members be and is hereby granted to re-appoint, Shri Prakash Chand Surana (DIN 00361485), who was appointed as an independent director and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a director, as an Independent Director of the Company, to hold office for 5 (Five) consecutive years for a term up to the conclusion of 29th Annual General Meeting of the Company."

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

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other rule, laws and regulation as may be applicable in this regard and on the basis of recommendation of Nomination and Remuneration Committee, approval of members be and is hereby granted to re-appoint, Dr. Shailendra Raj Mehta (DIN: 02132246), who was appointed as an independent director and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of a director, as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of 29th Annual General Meeting of the Company."

8. To appoint Shri Sandeep Bhargava (DIN: 07736003) as an Independent Director and in this regard to consider if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force)and subject to such other rule, laws and regulation as may be applicable in this regard and on the basis of recommendation of Nomination and Remuneration Committee , approval of members be and is hereby granted to re-appoint,, Shri Sandeep Bhargava (DIN: 07736003), who was appointed as a independent director and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of a director, as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of 29th Annual General Meeting of the Company."

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

   "RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force)and subject to such other rule, laws and regulation as may be applicable in this regard and on the basis of recommendation of Nomination and Remuneration Committee , approval of members of the Company be and is hereby accorded to the re-appointment of Shri Himanshu Baid (DIN: 00014008) as Managing Director of the Company, for a period of 5 (Five) years with effect from 1st August, 2019 on the terms & conditions including remuneration as set out in the statement annexed to the Notice convening this meeting with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination & Remuneration Committee of the Board) to alter and vary the term(s) & condition(s) of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Himanshu Baid, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

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

    "RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force)and subject to such other rule, laws and regulation as may be applicable in this regard and on the basis of recommendation of Nomination and Remuneration Committee, approval of the members of Company be and is hereby accorded to the re-appointment of Shri Rishi Baid (DIN: 00048585) as Joint Managing Director of the Company, for a period of 5 (Five) years with effect from 1st August, 2019 on the terms & conditions including remuneration as set out in the statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination & Remuneration Committee of the Board) to alter and vary the term(s) & condition(s) of the said reappointment and/or remuneration as it may be deem fit and as may be acceptable to Shri Rishi Baid, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

11. To re-appoint Shri Vishal Baid as President (Sales and Marketing) 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 re-appointment of Shri Vishal Baid President (Sales & Marketing) of the Company, for a period of 3 (Three) years with effect from 01st April, 2019 on the following term(s) & condition(s)

    Basic Salary: ₹ 60,00,000 p.a. (Rupees Sixty Lacs p.a. only), with annual increment of ₹ 5,00,000/- p.a.

    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."

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

    "RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014, (Including any statutory modification(s) or reenactment thereof for the time being in force), the Non-Executive directors of the Company (i.e. directors other than the Managing Director and/or Executive Director) be paid, remuneration, in addition to sitting fees for attending the meetings of the Board of Directors or committees thereof, as the Board of Directors may from time to time determine, not exceeding ₹ 9,00,000/- p.a. to each of the Non-Executive Directors of the Company with effect from the Financial Year 2019-2020, subject to overall ceiling of 1% of the net profits of the Company for each Financial Year, as computed in the manner laid down in section 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

13. 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 2019-20.

"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 12th August, 2019 for conducting the audit of cost records of the Company for the financial year ending 31st March 2020, be and is hereby approved and ratified;

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

By order of the Board
Avinash Chandra
Company Secretary

Date: 12th August, 2019
Registered Office:
232-B, 3rd Floor, Okhla Industrial Estate, Phase III,
New Delhi -110020.
CIN: L40300DL1995PLC066923

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 24th ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.

2. A PERSON SHALL ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANYCARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.

3. Details required under the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") and Regulation 36 of SEBI (Listing and Disclosure Requirements) Regulations, 2015 including brief profile of Directors seeking appointment/re-appointment, are annexed hereto.

4. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution / authorisation, as applicable.

5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.

7. The Register of Members and Share Transfer books of the Company will remain closed from Tuesday, 17th September, 2019 to Monday, 23rd September, 2019, (both days inclusive) for the purpose of payment of dividend, if any, approved by the members.

8. The dividend, if declared at the ensuing Annual General Meeting, would be paid/dispatched on or after 24th September, 2019 to those persons or their mandates:

a) Whose names appear as beneficial owners as at the end of the business hours on 16th September, 2019 in the list of beneficial owners to be furnished by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic mode, and

b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / its Registrar and Transfer Agents on or before 16th September, 2019.

9. Pursuant to the provisions of the Companies Act 1956, the unpaid / unclaimed dividend for the financial year 2010-11 has been transferred by the Company to the "Investor Education and Protection Fund"(IEPF) established by the Central Government.

Pursuant to the provisions of the Companies Act 1956, as amended, dividend for the Financial Year 2011-12 and the dividend for the subsequent years, which remains unpaid or unclaimed for a period of 7 years, will be transferred to IEPF. Members who have so far not encased the dividend warrant(s) For the Financial year 2011-12 are requested to make their claim to the company / Registrar and Transfer Agents on or before due date of transfer, failing which the unpaid / unclaimed amount will be transferred to the IEPF. It may also be noted that once the unpaid / unclaimed dividend transferred to the IEPF as above, no claim shall lie against the Company.

10. Members are requested to:

a) intimate to the Company's Registrar and Transfer Agents, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form,

b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form,

c) quote their folio numbers/Client ID/ DP ID in all correspondence, and

d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

11. As per SEBI notification dated 08th June 2018, request for Transfer of shares held in physical form will not be processed w.e.f. 04th Dec 2018 and it shall be mandatory to demat the shares to get the shares transfer in their name. Shareholders are therefore requested to dematerialize their shares for transfer purpose.

12. To avoid fraudulent transactions, the identity/ signature of the members holding shares in electronic/ demat form is verified with the specimen signature furnished by the NSDL/ CDSL and that of members holding shares in physical form is verified as per the records of the Registrar and Transfer agents of the Company (viz. Mas Services Limited). Members are requested to keep the same updated.

13. In terms of Section 101 & 136 of the Companies Act, 2013 read with together with the rules made there under, the listed companies may send the Notice of the Annual General Meeting and the Annual Report, including Financial Statements, Board Report etc. or any other communication by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the registrar and transfer agents of the Company. Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Registrar and transfer agent (in case of Shares held in physical form).

14. The Company has been maintaining, inter-alia, the following statutory registers at its Registered Office at 232-B, Third Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020, which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others as specified below:

a) Register of contracts or arrangements in which directors are interested under section 301 of the Companies Act, 1956 and section 189 of the Companies Act, 2013, on all working days during the business hours. The said registers shall also be produced at the commencement of the meeting to a person having the right to attend the meeting.

b) Register of directors' shareholding under Section 307 of the Companies Act, 1956 and register of directors and KMPs and their shareholding under section 170 of the Companies Act, 2013 on all working days during business hours. The said registers shall be kept open for inspection at the Annual General Meeting of the Company and shall be made accessible to a person for attending the meeting.

15. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form to Registrar and Transfer Agents. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

16. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Clearing Service ("ECS") to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/ change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.

17. Brief details of Directors, who are seeking re-appointment / appointment, are given in the Report on Corporate Governance, as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18. The Annual Report of the Company for the financial year 2018-19, circulated to the Members of the Company, is available on the Company's website viz. www.polymedicure.com.

19. VOTING THROUGH ELECTRONIC MEANS:
In terms of the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with rule 20 of the Companies (Management and Administration) Rule, 2014 (hereinafter called "the rules" for the purpose of this section of the Notice) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on the Book Closure date 23rd September, 2019 (end of day) being the cut-off-date (Record Date for the purpose of Rule 20(3) (vii) of the rules) fixed for determining voting rights of members, entitled to participate in the e-voting process of Rule 20(3) (vii) of the rules fixed for determining voting rights of members, through the e-voting platform provided by NSDL.

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

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

An explanatory statement in relation to Item No.4 is also furnished and should also be taken as forming part of the Notice.

Item No. 4:
In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the terms of present Statutory Auditors of the Company, M/s. Doogar & Associates, Chartered Accountants (Registration No.000561N) expired and they are not eligible for re-appointment in terms of section 139(2)(b)(ii)of the Companies Act, 2013 and will not seek re-appointment.

The Company is required to appoint another Auditor for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the twenty ninth Annual General Meeting of the company.

The Board of Directors at its meeting held on 12th August, 2019, after considering the recommendations of the Audit

Committee, had recommended the appointment of M/s. M. C. Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E), as the Statutory Auditors of the Company for approval of the members. The proposed Auditors shall hold office for a period of five consecutive terms from the conclusion of the twenty fourth Annual General Meeting till the conclusion of twenty ninth Annual General Meeting of the Company.

M/s. M. C. Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E), have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. M. C. Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E), as the Statutory Auditors of the Company and to fix their remuneration.

In terms of Regulation 36(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members may note the following Additional Information with respect to item No. 4 of the Notice of Annual General Meeting for appointment of M/s. M C Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E) as the Statutory Auditors of the Company:

1.	Proposed fees payable to the statutory auditor(s) along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change.	M/s M C Bhandari & Co., Chartered Accountants is proposed to be appointed as statutory auditor(s) of the company in place of M/s Doogar & Associates for a period of 5 Years beginning with financial year 2019-20 till financial year 2023-24 and to hold office till the conclusion of Annual General Meeting to be held for financial year 2023-24. The remuneration for statutory audit for financial year 2019-20 is fixed at ₹ 12,25,000 and limited review fees of ₹ 1,00,000 per quarter plus applicable GST and reimbursement of actual out of pocket expenses incurred in connection with such audit. There is no change in the fee payable as from that paid to outgoing auditor(s).
2.	Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed.	M/s M C Bhandari & Co., the firm of Chartered Accountants has over 61 years standing with multi industry experience. The firm was formed in 1957 by Late Shri MC Bhandari who was the former president of 'The Institute of Chartered Accountants of India'. The firm has wide presence & have offices in New Delhi, Kolkata, Mumbai and Jaipur. The firm specialises in Statutory Audit, Internal Audit and Forensic Audit for private sector, public sector and banking sector. The firm have various large and medium enterprises as clients across industries and also in Banking sector.

Interest of Directors and Key Managerial Personnel: None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Item No. 5, 6, 7 and 8

The Members of the Company at the 19th Annual General Meeting held on 23rd September, 2014 had appointed Shri Devendra Raj Mehta, Shri Prakash Chand Surana and Shri Shailendra Raj Mehta as Independent Directors of the

Company for a term of five (5) consecutive years commencing from 19th AGM and expiring on 24th AGM and Dr. Sandeep Bhargava Independent Director of the Company for a term of two (2) consecutive years commencing from 22nd AGM and expiring on 24th AGM.

The Members may note that pursuant to Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five (5) consecutive years on the board of a company, but shall be eligible for re-appointment for a further term of up to five (5) consecutive years on passing of a special resolution by the company.

Pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), with effect from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment specifies the justification for such appointment.

The Nomination and Remuneration Committee (NRC) of the Board of the Company, at its meeting held on 12th August, 2019, had unanimously recommended to the Board, the re-appointment of Shri Devendra Raj Mehta, Shri Prakash Chand Surana, Shri Shailendra Raj Mehta & Dr. Sandeep Bhargava as Independent Directors for a further term not exceeding Five (5) consecutive years from conclusion of this Annual General Meeting to the Conclusion of 29th Annual General Meeting of the company.

The Nomination and Remuneration Committee ("NRC"), while recommending the re-appointment of Independent Directors, considered various factors viz., the number of board, committee and general meetings attended by the Independent Directors; their physical fitness & mental alertness; knowledge & experience in their respective fields; their specific skills helping the Board and the Company in attaining its objectives; their participation in the Board/ Committee deliberations; summary of performance evaluation of each of the directors being re-appointed; time devoted by them; their specialised skills and expertise and their independent judgement in the opinion of the entire Board.

Notwithstanding the fact that Independent Directors can be re-appointed for a further term of five consecutive years, NRC considered and recommended the re-appointment for a further term not exceeding Five (5) consecutive years. The time period of Five years is considered necessary to induct new Independent Directors on the Board with diverse competencies to bring about a transparent, smooth and seamless transition towards a restructured Board without compromising its cohesiveness, compatibility and effective functioning.

Based on the recommendations made by the NRC as above, the Board of Directors, at its meeting held on 12th August, 2019, has unanimously decided to re-appoint Shri Devendra Raj Mehta, Shri Prakash Chand Surana, Shri Shailendra Raj Mehta & Dr. Sandeep Bhargava for a further term not exceeding five (5) consecutive years with effect from conclusion of this Annual General Meeting to the Conclusion of 29th Annual General Meeting of the company.

The Board's decision as above was notwithstanding the fact that Shri Devendra Raj Mehta is above the age of seventy five (75) years; and Shri Prakash Chand Surana, Shri Shailendra Raj Mehta & Dr. Sandeep Bhargava shall attain the age of seventy five (75) years during their further term as Non-Executive Independent Directors of the Company.

Each of the aforesaid Independent Directors, viz., Shri Devendra Raj Mehta, Shri Prakash Chand Surana, Shri Shailendra Raj Mehta & Dr. Sandeep Bhargava have given their consent to be re-appointed as such directors and also the confirmation that they are not disqualified to act as Independent Directors in terms of Section 164 of the Companies Act, 2013. Brief resume of Shri Devendra Raj Mehta, Shri Prakash Chand Surana, Shri Shailendra Raj Mehta & Dr. Sandeep Bhargava, nature of their expertise in specific functional areas and names of the Companies in which they hold directorship and Memberships/ Chairmanships of Board Committees, Shareholding and relationship between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), are provided in the Corporate Governance Report forming part of the Annual Report. Shri Devendra Raj Mehta, Shri Prakash Chand Surana, Shri Shailendra Raj Mehta & Dr. Sandeep Bhargava are interested in the Resolutions set out in the notice for their appointment and thus the respective directors and their relatives may be deemed to be interested in the resolutions set out at Item No 5 to 8 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other directors/ Key Managerial Personnel of the Company/ their relatives are, in any way interested, financially or otherwise, in these resolutions.

Item No. 9 and 10

The Board of Directors of the Company (Board), in its meeting held on 12th August, 2019 has subject to the approval of the members, re-appointed Sh. Himanshu Baid as Managing Director and Shri Rishi Baid, Joint Managing Director, for a period of 5 (Five) Years from the expiry of their present term on 31st July, 2019, at the remuneration recommended by Nomination & Remuneration Committee of the Board and approved by the Board.

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

(a) Salary, perquisites and allowances:

Detail	Shri Himanshu Baid, Managing Director
Period	From 01st August, 2019 to 31st July, 2024
Remuneration	
Basic Salary	₹ 2,40,00,000 per annum with effect from 01st August, 2019 with Annual Increment of 8% per annum.
Perquisites and allowance	60% of basic salary
Commission	Upto 5 % of Profit In addition to the salary, perquisites and allowances payable, a commission, at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling (includes managerial remuneration paid during the year) stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard).

Detail	Shri Rishi Baid, Joint Managing Director
Period	From 01st August, 2019 to 31st July, 2024
Remuneration	
Basic Salary	₹ 2,30,00,000 per annum with effect from 1st August, 2019 with Annual Increment of 8% per annum.
Perquisites and allowances	60% of basic salary
Commission	Upto 5 % of Profit In addition to the salary, perquisites and allowances payable, a commission, at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling (includes managerial remuneration paid during the year) stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment/ modification in the Rules, Act and/ or applicable laws in this regard).

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

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

(b) Remuneration based on Net Profit:
The overall remuneration payable every year to the Managing Director and the Joint Managing Director by way of salary and perquisites shall not exceed Ten percent of the Profits of the Company, as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactments thereof.

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

(d) General:

i. The Managing Director and the Joint Managing Director will perform their duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may be from time to time be given and made by the Board.

ii. The Managing Director and the Joint Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

iii. The Managing Director and the Joint Managing shall adhere to the Company's code of Business conduct & Ethics for directors and Management Personnel.

In the Event of loss or inadequacy of Profits in a financial year during the currency of the tenure, the managerial person shall be paid the above mentioned salary, allowances and perquisites, which shall not exceed the limits prescribed under the Companies Act.

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

Brief resume of Shri Himanshu Baid and Shri Rishi Baid and nature of their expertise in specific functional area, names of the Companies in which they hold directorship(s)/ Membership(s)/ Chairmanship of Board Committee(s), shareholding and relationships amongst directors inter-se as stipulated under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) are provided in the Corporate Governance Report forming part of the Annual Report.

Shri J.K. Baid, Smt. Mukulika Baid, Shri Himanshu Baid, Shri Rishi Baid and their relatives are interested in the resolutions set out respectively at Item No. 9 and 10 of the notice to the extent of their shareholding interest, in the Company and therefore, shall not take part in voting in these resolutions.

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

Item No. 11
Approval for reappointment of Shri Vishal Baid as President (Sales and Marketing)

a) **Name of the Related Party:** Shri Vishal Baid

b) **Nature of Transactions:** Re-appointment as President (Sales and Marketing) for a term of Three years w.e.f 1st April, 2019

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 Vishal Baid.

e) **Experties in Specific Functional Areas:** Mr. Vishal Baid aged 45 years is a Chartered Accountant by profession. He has total experience of about 23 years in corporate finance, marketing, manufacturing and R&D Activities.

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

Item No. 12

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

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

In terms of the proviso to Section 197(1) of the Companies Act, 2013, a Company can remunerate/ make payment by way of commission to its Non-Executive Directors for a sum not exceeding 1% of the Profits as computed as per provision of the Act, if the Company has a Managing Director or Executive Director. Further pursuant to regulations of SEBI (LODR) Regulations, 2015, all fees/compensation, if any, paid to Non-Executive Directors of the Company, shall be fixed by the Board of Directors and shall require the prior approval of the Shareholders at a General Meeting.

Based on the recommendations of the Nomination & Remuneration Committee in its meeting held on 12th August, 2019, the Board of Directors in its meeting held on 12th August, 2019, subject to the approval of the Shareholders, has approved the payment of Annual Commission of ₹ 9,00,000 to each Non-Executive Director of the Company with effect from 1st April, 2019 subject to the ceiling as per Companies Act 2013, in addition to the sitting fees payable to such directors for attending the Board and Committee meetings and reimbursement of expenses, if any. All the Directors of the Company and their relatives, may be deemed to be concerned or interested in this Resolution to the extent of commission that may be payable to them from time to time.

Item No.13

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, 2020.

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. 13 of the Notice, to ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March 2020.

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. 13 of the Notice.

By order of the Board
Avinash Chandra
Company Secretary

Date: 12th August, 2019
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)

a) Shri Devendra Raj Mehta and Shri Prakash Chand Surana

Name of the Director	**Shri Devendra Raj Mehta (DIN:01067895)**	**Shri Prakash Chand Surana (DIN:00361485)**
Date of Birth and Age	25th June, 1937, 82 Years	9th February, 1947, 72 years
Date of Appointment	26th May, 2005	22th September, 1997
Qualifications	Law and Economics Graduate and Retired IAS officer	Chartered Accountant
Expertise in Specific functional areas	He has over 47 years of experience in Administration, Industry & Banking, Foreign Trade Regulations and Corporate.	He has over 44 years of experience in the field of Taxation and Corporate Law
No. of Board Meetings attended during the Financial Year 2018-19	4	2
Remuneration last drawn	Not Applicable	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	Not related to any other Directors and Key Managerial Personnel of the Company
Directorship of other Companies as on 31st March, 2019	1. JMC Projects (India) Ltd 2. Jain Irrigation Systems Ltd 3. Atul Rajasthan Date Palms Ltd 4. Glenmark Pharmaceuticals Ltd 5. MM Auto Industries Ltd 6. Gandhi Research Foundation 7. Ashray Homes Buildwell Pvt. Ltd. 8. Glenmark Generics Ltd.	1. Technomedia Solutions Private Limited 2. Nine Management Services LLP
Chairmanship(s)/Membership(s) of Committees of other Companies as on 31st March, 2019	**Audit Committee – Chairman** JMC Projects (India) Ltd **Stakeholders Relationship Committee - Member** Glenmark Pharmaceuticals Ltd	None
Number of Shares held in the Company	NIL	2,098

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)

b) Shri Shailendra Raj Mehta and Dr. Sandeep Bhargava

Name of the Director	**Shri Shailendra Raj Mehta (DIN:02132246)**	**Dr. Sandeep Bhargava (DIN:07736003)**
Date of Birth and Age	9th July, 1959, 60 Years	29th October, 1967, 51 Years
Date of Appointment	28th May, 2012	25th February, 2017
Qualifications	B.A., M.A., M phill and Ph.D. (Economics)	M.B.B.S. and MD
Expertise in Specific functional areas	He has 29 years of experience in the field of Management and Economics	He has 28 years of experience in clinical practice and research
No. of Board Meetings attended during the Financial Year 2018-19	4	4
Remuneration last drawn	Not Applicable	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	Not related to any other Directors and Key Managerial Personnel of the Company
Directorship of other Companies as on 31st March, 2019	1. ARC Associates Pvt. Ltd. 2. S-Ancial Technologies Pvt. Ltd 3. S-Ancial Finserv Pvt. Ltd. 4. S-Ancial Global Solutions Pvt. Ltd. 5. JMC Projects (India) Ltd	None
Chairmanship(s)/Membership(s) of Committees of other Companies as on 31st March, 2019	**JMC Projects (India) Ltd** • Audit Committee – Member • Nomination and Remuneration Committee – Chairman • Risk Management Committee – Chairman	N.A.
Number of Shares held in the Company	Nil	Nil

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)

c) Shri Himanshu Baid and Shri Rishi Baid

Name of the Director	**Shri Himanshu Baid (DIN: 00014008)**	**Shri Rishi Baid (DIN: 00048585)**
Date of Birth and Age	8th June, 1968, 51 years	2nd June, 1972, 47 years
Date of Appointment	30th March, 1995	30th March, 1995
Qualifications	B.E. (Electronics)	Masters of Science in Mechanical Engineering
Expertise in Specific functional areas	Around 22 years of experience in Manufacturing, Sales and Marketing of Disposable Medical Devices	Around 22 years of experience in Manufacturing, Operations and R&D of Disposable Medical Devices
No. of Board Meetings attended during the Financial Year 2018-19	4 (Four)	4 (Four)
Remuneration last drawn	449.82 Lacs	440.47 Lacs
Relationship with any Director(s) and Key Managerial Personnel of the Company	Shri Himanshu Baid, is a promoter director and related to Shri Jugal Kishore Baid, Director, Shri Rishi Baid, Executive Director, Smt. Mukulika Baid, Director and Shri Vishal Baid, President (Corporate Sales & Marketing).	Shri Rishi Baid, is a promoter director and related to Shri Himanshu Baid, Managing Director, Shri Jugal Kishore Baid, Director, Smt. Mukulika Baid, Director and Shri Vishal Baid, President (Corporate Sales & Marketing).
Directorship of other Companies as on 31st March, 2019	1. Polycure Martech Limited 2. Jai Polypan Pvt. Ltd. 3. Exicom Tele-systems Ltd. 4. Poly Medicure (Laiyang) Company, Ltd., China 5. Ultra for Medical Products, Egypt 6. Poly Medicure B.V., Netherlands	1. Jai Polypan Pvt. Ltd. 2. Poly Medicure (Laiyang) Company, Ltd., China 3. Ultra for Medical Products, Egypt 4. Poly Medicure B.V., Netherlands 5. Plan1 Health s.r.l., Italy
Chairmanship(s)/Membership(s) of Committees of other Companies as on 31st March, 2019	**Exicom Tele-systems Ltd.** Audit Committee – Chairman Nomination and Remuneration Committee – Member	None
Number of Shares held in the Company	79,07,624 (8.96 %)	99,93,048 (11.33 %)

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)

d) Smt. Mukulika Baid

Name of the Director	**Smt. Mukulika Baid (DIN: 02900103)**
Date of Birth and Age	27th September, 1949, 69 years
Date of Appointment	30th July, 2014
Qualifications	Bachelor Degree in Arts (B.A)
Expertise in Specific functional areas	Around 18 years of experience in Management and Marketing
No. of Board Meetings attended during the Financial Year 2018-19	4 (Four)
Remuneration last drawn	Not Applicable
Relationship with any Director(s) and Key Managerial Personnel of the Company	Smt. Mukulika Baid, is a director and related to Shri Jugal Kishore Baid, Director, Shri Himanshu Baid, Managing Director, Shri Rishi Baid, Executive Director and Shri Vishal Baid, President (Corporate Sales & Marketing).
Directorship of other Companies as on 31st March, 2019	None
Chairmanship(s)/Membership(s) of Committees of other Companies as on 31st March, 2019	N.A.
Number of Shares held in the Company	30,62,400 (3.47 %)

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

DIRECTORS' REPORT

Your Directors take immense pleasure in presenting the 24th Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March, 2019.

Financial Results (₹ In lacs)

Parameters	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations (Net)	58,669.05	50,969.93	61,082.53	52,167.79
Add: Other Income	1,583.98	1,436.95	1,826.71	1,437.58
Total Revenue	**60,253.03**	**52,406.88**	**62,909.24**	**53,605.37**
Profit before Interest, Tax, Depreciation and Amortization (EBITDA)	14,814.93	13,425.76	14,911.73	13,596.03
Less: Depreciation & Amortization Expenses.	3,636.39	2,840.66	3,729.22	2,924.40
Less: Financial Costs	1,129.36	949.51	1,175.06	996.48
Profit Before Tax (PBT)	**10,049.18**	**9,635.59**	**10,007.45**	**9,675.15**
Less: Tax provision	3,420.79	2,615.76	3,467.55	2,615.76
Profit after Tax	**6,628.39**	**7,019.83**	**6,539.90**	**7,059.39**
Add: Balance brought forward	15,303.14	11,314.24	14,970.51	11,361.73
Profit available for appropriation	**21,931.53**	**18,334.07**	**21,510.41**	**18,421.12**

Briefly, during the year under report, the Company's consolidated total income increased to ₹ 62,909.24 lacs from ₹ 53,605.37 lacs in the previous year, registering a growth of 17.36%. EBIDTA improved to ₹ 14,911.73 lacs as from ₹ 13,596.03 lacs in the previous year which translates into a rise of 9.68 %. Profit before Tax (PBT) is ₹ 10,007.45 lacs as against ₹ 9,675.15 lacs in previous year which translates into a rise of 3.43 %.

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

Share Capital

During the year under report the paid-up share capital of your Company has been increased by ₹ 1,00,500 due to the allotment of 20,100 equity shares of ₹ 5 each on exercise of stock options by the eligible employees under the Employee Stock Options Scheme, 2015.

ESOP issuance

The Company has framed an ESOP Scheme 2015 for the benefit of its employees under which it has issued 20,100 equity shares. The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Scheme of the Company, in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014. Details of the shares issued under Employee Stock Option Scheme (ESOS). The disclosures, in compliance with Section 62 of the Act read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and the regulation 14 of SEBI (Shar

Based Employee Benefits) Regulations, 2014 as amended, is available on our website: www.polymedicure.com

Dividend

In keeping with the Company's tradition of rewarding the Shareholders, your directors are happy to recommend a dividend of ₹ 2/- per equity share of the face value of ₹ 5/- each for the financial year ended on 31st March, 2019. 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 ₹ 2127.57 lacs including dividend tax. 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.

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 ₹ 1,098.90 lacs for the year ending 31st March, 2019 against ₹ 1,421.71 lacs in the previous year. The Performance during the year was impacted by low order book.

- **US Safety Syringes Co., LLC, USA –** The Company has been shut down and dissolved on 10th June, 2019.

- **Poly Medicure B.V., Amsterdam, Netherlands -** During the year under review the Company has incorporated a 100% subsidiary company in Amsterdam, Netherlands in the name of Poly Medicure B.V. for global operations, further it will be used for expanding business organically and inorganically.

- **Plan1 Health s.r.l., Italy,** a step-down Subsidiary – During the year under review, the Company has acquired a 100% step-down subsidiary i.e. Plan 1 Health s.r.l., Italy.

  The Company has one Associate in Egypt, viz. **Ultra for Medical Products Company (ULTRA MED), Egypt –** The Associate has achieved sales of ₹ 7,532.73 lacs during the year end December 2018, against ₹ 6,183.26 lacs 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 ₹ 75,951 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 2010-11 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, Smt. Mukulika Baid is liable to retire by rotation at the ensuing Annual General Meeting, and she offers herself for re-appointment. The information as required to be disclosed under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in case of re-appointment of directors is provided in the Notice of the ensuing Annual General Meeting of the Company.

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

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

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

Board Evaluation

Pursuant to the applicable provisions of the Companies

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

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

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

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

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

The performance evaluation of the Independent Directors 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 of Directors (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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.

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

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

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

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

Policy on Directors' Appointment and Remuneration

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under 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.

Extract of the Annual Return

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

Auditors and Auditors' Report

Statutory Auditors

At the 19th Annual General Meeting held on September 23, 2014 M/s. Doogar & Associates, Chartered Accountants, (Firm Registration No.- 000561N), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 24th Annual General Meeting of the Company. The term of Statutory Auditors is going to expire at ensuing Annual General Meeting of the Company.

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.

In terms of the provisions of Section 139 of the Companies Act, 2013, and as per the recommendation of the Audit Committee M/s. M. C. Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E) be appointed as Statutory Auditors of the Company, in place of retiring Auditors M/s Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N) to hold office from the conclusion of this 24th Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company.

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

Cost Auditor

The Board had appointed M/s. Jai Prakash & Co., Cost Accountants as Cost Auditor for the financial year 2018-19. 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 2019-20 and approval of the members is being sought for ratification of their remuneration.

Secretarial Auditor

The Board of Directors have appointed M/s. B.K. Sethi & Company, (Certificate of Practice No.- 913), Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed this Report as **Annexure – 3.**

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 - 4** and forms part of the Report.

Particulars of Contracts or Arrangements with Related Parties

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

Fixed Deposits

Your Company has not accepted/or invited any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and Section 73 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 ₹ 200.11 lacs (includes unspent amount of ₹ 46.28 lacs for previous year) towards CSR activities out of which ₹ 153.83 lacs were utilized for activities specified in schedule VII of the Companies Act, 2013. Details of CSR policy and the initiatives adopted by the Company on CSR during the year are available on the website of the Company at http://www.polymedicure.com/wp-content/uploads/2015/03/CSR_Policy_2015.pdf. The Annual Report on CSR as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure – 6** to this Report in the prescribed format.

The CSR Committee has decided to carry forward the unspent amount to next year CSR budget. Some additional projects were identified in beginning of the calendar year 2019 but could not be completed in time, hence the total amount required to be spent as per regulatory requirements in 2018-2019 could not be achieved.

Moreover, the Company is also considering various proposals for undertaking infrastructure development like building toilets and classrooms in schools for its ongoing CSR initiatives. The above initiatives, when implemented, is expected to take care of the unspent amount of earlier years and also will go a long way in fulfilling the obligations of the Company towards CSR requirements for financial year 2019-2020.

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-7.**

Quality

The strengths of POLYMED lie in its know-how and consistent quality of products. We create user-friendly products by combining the new technologies with high speed automation. Two factors are of outright importance here: patient safety and quality. Quality assurance is therefore most important component of our activities in all areas. Every product runs through a multitude of tests before it is ready for the market. In this way we are able to offer consistent high level of quality to our worldwide customers.

The Company has adopted several significant external benchmarks and certifications. The Company has been accredited with the International Quality Certifications and successfully implemented a well documented QMS (Quality Management System) which has been certified for ISO 9001: 2015, ISO-13485: 2016, EN ISO 13485:2016 and CE mark (Product Certification) as per European Medical Device Directive MDD/93/42/EEC by DNV GL NemkoPresafe AS, Norway thus making the entire product range compliant with International Quality Standards.

Human Resources

The Company takes pride in the commitment, competence and dedication different aspects of Human Resource Management such as recruitment, promotion, compensation, training, selections etc. The Company ensures equal, just fair and unbiased approach in hiring, promoting and developing an employee. It has clearly laid down policies for the entire Employee Life cycle (ELC). The Company conducts trainings through external as well as in-house trainers to train the employee on various functional and behavioral aspects required for business growth nurturing and retaining talent through Superior Learning & Organizational Development. This is a part of corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

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

Regulatory Risk

Medical Devices is among one of the highly regulated industries across the world, rightly so as it deals with evolving human life. These regulatory impacts manufacturing, approvals, marketing and distribution of products and bring new compliance challenges year on year. A strong quality assurance mechanism and compliance monitoring network at Company ensures strict compliance at every level. Regular training for its employees to update them on new developments is an integral part of this process.

Global Economic Volatility Risk
The Company sells its products in more than 100 countries and each of these markets present different economic and political risk. A widespread global presence, with no overdependence on any one region or country, considerably insulates the Company from any uneventful developments in any particular market.

Foreign Exchange Risk
The Company earns a major part of its revenue in foreign exchange, thus exposing it to the volatility in the exchange rates. This can have an adverse effect on its earnings. The Company follows a conservative and disciplined hedging policy which ensures protecting the desired exchange rate for sustaining the profitability.

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, 2019 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-8"** forming part of Directors' Report.

Listing
The Shares of your Company are listed on the Bombay Stock Exchange Limited (BSE), Mumbai and National Stock Exchange of India Limited, (NSE), Mumbai. The Listing fees to the Stock Exchanges for the year 2019-20 have been paid.

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

Green Initiatives
To take part in Green Initiative in the Corporate Governance, we propose to send documents such as Notices of General Meeting(s), Annual Reports and other shareholders communications for the year ended 31st March 2019 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 2018-19 and Notice of the 24th 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.

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

12th August, 2019	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. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Infusion Therapy Products	46497	68.60
2.	Blood management & Blood collection system	46497	11.48

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% age of Shares held	Applicable Section
1.	Poly Medicure (Laiyang) Co. ltd.	Area A, Heshan Road, Laiyang Economical Development District, Laiyang, Shandong, China	370682400002685	Subsidiary	100	Section 2(87) of the Companies Act, 2013
2.	Poly Medicure B.V., Netherlands	Keizersgracht 391A, 1016 EJ, Amsterdam, The Netherlands	71161767	Subsidiary	100	
3.	Plan1 Health s.r.l., Italy	Amaro (UD) Via Fratelli Solari 5 Cap 33020	01677460303	Step-down subsidiary	100	
4.	U.S. Safety Syringes Co. LLC	6601, Springpark Avenue Apt#5, Los Angeles, CA 90058	200700410131	Subsidiary	75	
5.	Ultra for Medical Products Company (ULTRAMED)	64, Nakhla E1 Motei Street-Triumph-Heliopolis-Cairo, Egypt	346697	Associate	23	Section 2(6) of the Companies Act, 2013

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

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	35798208	0	35798208	40.58	35798208	0	35798208	40.57	(0.01)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	6993144	0	6993144	7.92	6993144	0	6993144	7.92	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) Individual/HUF	227200	0	227200	0.26	227200	0	227200	0.26	0
b) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	**43018552**	**0**	**43018552**	**48.76**	**43018552**	**0**	**43018552**	**48.75**	**(0.01)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	5968	0	5968	0.01	6904	0	6904	0.01	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investors	4832580	0	4832580	5.48	4418793	0	4418793	5.01	(0.47)
f) Venture Capital Funds	0	0	0	0	0	0	0	0	0
g) Alternate Investment Fund	0	0	0	0	52500	0	52500	0.06	0.06
h) Insurance Companies	0	0	0	0	0	0	0	0	0
i) FIIs	0	0	0	0	0	0	0	0	0
j) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
k) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	**4838548**	**0**	**4838548**	**5.48**	**4478197**	**0**	**4478197**	**5.08**	**(0.40)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	26340430	0	26340430	29.86	26297875	0	26297875	29.80	(0.06)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	3323350	445500	3768850	4.27	3135622	307384	3443006	3.90	(0.37)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	7046084	0	7046084	7.99	7694941	0	7694941	8.72	0.73
c) NBFCs registered with RBI	230602	0	230602	0.26	217800	0	217800	0.25	(0.01)
d) Others (specify)									
Non Resident Indians/OCB	2831369	108800	2940169	3.33	2957921	108800	3066721	3.48	0.15
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	43445	0	43445	0.05	19638	0	19638	0.02	(0.03)
Trusts	200	0	200	0	200	0	200	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**39815480**	**554300**	**40369780**	**45.76**	**40323997**	**416184**	**40740181**	**46.17**	**0.41**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	44654028	554300	45208328	51.24	44802194	416184	45218378	51.25	0.01
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**87672580**	**554300**	**88226880**	**100.00**	**87820746**	**416184**	**88236930**	**100.00**	**0**

b) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rishi Baid	9826048	11.14	0	9993048	11.33	0	0.19
2	Himanshu Baid	8074624	9.15	0	7907624	8.96	0	(0.19)
3	Himanshu Baid (HUF)	3839200	4.35	0	3839200	4.35	0	0
4	Mukulika Baid	3062400	3.47	0	3062400	3.47	0	0
5	Rishi Baid (HUF)	2780000	3.15	0	2780000	3.15	0	0
6	Jugal Kishore Baid	2279376	2.58	0	2279376	2.58	0	0
7	Vishal Baid	1681360	1.91	0	1681360	1.91	0	0
8	Shaily Baid	1188000	1.35	0	1188000	1.35	0	0
9	Shireen Baid	1121600	1.27	0	1121600	1.27	0	0
10	Neha Baid	1024000	1.16	0	1024000	1.16	0	0
11	Dhruv Baid	360000	0.41	0	360000	0.41	0	0
12	Aaryaman Baid	280000	0.32	0	280000	0.32	0	0

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
13	Arham Baid	280000	0.32	0	280000	0.32	0	0
14	Bhupendra Raj Mehta	1600	0.00	0	1600	0.00	0	0
15	Madhu Kothari	171200	0.19	0	171200	0.19	0	0
16	Vinay Kothari	56000	0.06	0	56000	0.06	0	0
17	Jai Polypan Pvt. Ltd.	3352000	3.80	0	3352000	3.80	0	0
18	VCB Trading LLP	3641144	4.13	0	3641144	4.13	0	0
	Total	43018552	48.76	0	43018552	48.75	0	0.01

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

There has been change in the shareholding of Promoter Group of the Company. During the Year, Mr. Himanshu Baid sold (inter-se transfer) 167,000 (0.19%) shares to Mr. Rishi Baid and necessary intimations/disclosures were given under SEBI Regulations. During the year 10,050 shares were issued under ESOP, 2015, the changes in promoters shareholding is due to the same.

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

SN	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**EZEKIEL GLOBAL BUSINESS SOLUTIONS LLP**				
	Opening Balance	12361320	14.01	12361320	14.01
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0	12361320	14.01
	Closing Balance			12361320	14.01
2	**ZETTA MATRIX CONSULTING LLP**				
	Opening Balance	8319660	9.43	8319660	9.43
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0	8319660	9.43
	Closing Balance			8319660	9.43
3.	**MATTHEWS INDIA FUND**				
	Opening Balance	3913967	4.44	3913967	4.44
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	(319143)	(0.36)	3594824	4.08
	Closing Balance			3594824	4.08

4	**SCG & CO. LLP**				
	Opening Balance	3081184	3.49	3081184	3.49
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0	3081184	3.49
	Closing Balance			3081184	3.49
5	**NIRAJKUMAR VINODKUMAR DAGA**				
	Opening Balance	2178180	2.47	2178180	2.47
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	3099	0	2181279	2.47
	Closing Balance			2181279	2.47
6	**NILAYKUMAR VINODKUMAR DAGA**				
	Opening Balance	1944328	2.20	1944328	2.20
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0	1944328	2.20
	Closing Balance			1944328	2.20
7	**ASHISH KACHOLIA**				
	Opening Balance	1274307	1.45	1274307	1.45
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	478796	0.54	1753103	1.99
	Closing Balance			1753103	1.99
8	**VARUN DAGA**				
	Opening Balance	1558248	1.76	1558248	1.76
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	(24)	0	1558224	1.76
	Closing Balance			1558224	1.76
9	**SHREANS DAGA**				
	Opening Balance	1550000	1.76	1550000	1.76
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0	1550000	1.76
	Closing Balance			1550000	1.76
10	**KJMC FINANCIAL SERVICES LTD**				
	Opening Balance	858345	0.97	858345	0.97
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	(74349)	(0.08)	783996	0.89
	Closing Balance			783996	0.89

e) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Himanshu Baid (Managing Director)**				
	Opening Balance	8074624	9.15	8074624	9.15
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	(167000)	(0.19)	7907624	8.96
	Closing Balance			7907624	8.96
2	**Rishi Baid (Executive Director)**				
	Opening Balance	9826048	11.14	9826048	11.14
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	167000	0.19	9993048	11.33
	Closing Balance			9993048	11.33
3.	**Devendra Raj Mehta (Chairman)**				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0.00	0	0.00
	Closing Balance			0	0.00
4	**Jugal Kishore Baid (Director)**				
	Opening Balance	2279376	2.58	2279376	2.58
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0.00	2279376	2.58
	Closing Balance			2279376	2.58
5	**Mukulika Baid (Director)**				
	Opening Balance	3062400	3.47	3062400	3.47
	Transaction Purchase/(Sale) from April 1, 201 upto March 31, 2019	0	0.00	3062400	3.47
	Closing Balance			3062400	3.47
6	**Prakash Chand Surana (Director)**				
	Opening Balance	2098	0.00	2098	0.00
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0	2098	0.00
	Closing Balance			2098	0.00
7	**Shailendra Raj Mehta (Director)**				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0.00	0	0.00
	Closing Balance			0	0.00

8	**Sandeep Bhargava (Director)**				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0.00	0	0.00
	Closing Balance			0	0.00
9	**Alessandro Balboni (Director)**				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0.00	0	0.00
	Closing Balance			0	0.00
10	**Jas Karan Sancheti Oswal (CFO)**				
	Opening Balance	38868	0.04	38868	0.04
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	(1269)	0	37599	0.04
	Closing Balance			37599	0.04
11	**Avinash Chandra (Company Secretary)**				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2018 upto March 31, 2019	0	0.00	0	0.00
	Closing Balance			0	0.00

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,735.95	---	---	12,735.95
ii) Interest due but not paid	44.21	---	---	44.21
iii) Interest accrued but not due	2.01	---	---	2.01
Total (i+ii+iii)	12,782.17	---	---	12,782.17
Change in Indebtedness during the financial year				
* Addition	5,329.44	---	---	5,329.44
* Reduction	3,028.15	---	---	3,028.15
Net Change	2,301.29	---	---	2,301.29
Indebtedness at the end of the financial year				
i) Principal Amount	15,037.24	---	---	15,037.24
ii) Interest due but not paid	33.50	---	---	33.50
iii) Interest accrued but not due	6.40	---	---	6.40
Total (i+ii+iii)	15,077.14	---	---	15,077.14

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Himanshu Baid	**Shri Rishi Baid**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,27,40,000	1,22,24,423	2,49,64,423
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,60,570	10,44,861	26,05,431
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	3,00,00,000	3,00,00,000	6,00,00,000
	- others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total (A)	4,43,00,570	4,32,69,284	8,75,69,854
	Ceiling as per the Act	**10% of Net Profit for all Executive Directors – Managing and Executive Director** **5% of Net Profit to any one Managing or Executive Director**		

B. Remuneration to other directors (₹)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Devendra Raj Mehta	**Prakash Chand Surana**	**Sandeep Bhargava**	**Shailendra Raj Mehta**	
1	Independent Directors					
	Fee for attending board committee meetings	3,50,000	1,75,000	2,25,000	3,25,000	10,75,000
	Commission	7,50,000	7,50,000	7,50,000	7,50,000	30,00,000
	Others, please specify					
	Total (1)	**11,00,000**	**9,25,000**	**9,75,000**	**10,75,000**	**40,75,000**
2	Other Non-Executive Directors	Jugal Kishore Baid		Mukulika Baid		
	Fee for attending board committee meetings	2,25,000		2,25,000		4,50,000
	Commission	7,50,000		7,50,000		15,00,000
	Others, please specify					
	Total (2)	**9,75,000**		**9,75,000**		**19,50,000**
	Total (B)=(1+2)	**60,25,000**				**60,25,000**
	Total Managerial Remuneration (A + B)	9,35,94,854				9,35,94,854
	Overall Ceiling as per the Act	**1% of Net Profits of the Company for all Non-Executive Directors**				

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

SN.	Particulars of Remuneration	Key Managerial Personnel		
		J. K. Sancheti Oswal (CFO)	Avinash Chandra (CS)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50,43,158	8,90,853	59,34,011
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,33,920	21,570	1,55,490
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	94,650	0	94,650
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify…	0	0	0
5	Others, please specify			
	Total	**52,71,728**	**9,12,423**	**61,84,151**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure-3

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019
[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE NO. 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION PERSONNEL) RULES, 2014

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

Based on our verification of the Companies books, papers, minute book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filled and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder read with the notified provisions of Companies (Amendment) Act, 2017
ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a) The Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
   d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit period)
   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit period) and
   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit period)

Other Laws applicable to the Company:

1. Payment of Wages, 1956
2. Payment of Bonus, 1965
3. Minimum Wages Act, 1948
4. Industrial Disputes Act, 1948
5. Industrial Employment (Standing Orders) Act, 1946
6. Payment of Gratuity, 1972
7. Employees Provident Fund and Miscellaneous Provisions Act, 1952
8. Factories Act, 1948
9. Income-tax Act, 1961 and Rules
10. Central Excise Act, 1944
11. Cenvat Credit Rules, 2004
12. Finance Act, 1994 (Service Tax)
13. Customs Act, 1962
14. State VAT Acts
15. The Central Goods and Services Tax Act, 2017
16. The Integrated Goods and Services Tax Act, 2017
17. State Goods and Services Tax Act
18. State Shops and Establishment Act
19. Contract Labour (Regulation and Abolition) Act, 1970
20. Employees Compensation Act, 1923
21. Employees State Insurance Act, 1948
22. Central Sales Tax, 1956

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India.
ii. The Listing Agreements entered into by Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 notice is given to all Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the Meetings and for meaningful participation at the Meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. All the decisions at the Board Meetings were passed unanimously and with requisite majority in General Meeting.

We 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.

We further report that during the audit period, no specific event has taken place which has any major bearing on the Company's affairs.

For B.K. Sethi & Company

B.K. Sethi
Proprietor
FCS-853/CP-913
New Delhi
dated the 8th May, 2019

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report

ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT

To
The Members,
Poly Medicure Limited
232-B, 3rd Floor,
Okhla Industrial Estate, Phase-III
New Delhi - 110020

The above report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.

2. 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 secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

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

4. Where ever required, I have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.

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

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For B.K. Sethi & Company

B.K. Sethi
Proprietor
FCS-853/CP-913
New Delhi
dated the 8th May, 2019

Annexure-4

Particulars of Loans, Guarantees or Investments under Section 186

❖ Details of Investments as on 31st March, 2019

S. No.	Name of Company	Relationship	Amount (₹ in Lacs)
1	Poly Medicure (Laiyang) Co. ltd. China*	Subsidiary	472.39
2	Poly Medicure B.V., Netherlands*	Subsidiary	3417.79
3	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, 2019**
The Company has no outstanding Loans as on 31st March, 2019.

❖ **Details of Guarantees as on 31st March, 2019**
The Company has not issued any Corporate Guarantee.

Annexure-5

Form No. AOC-2

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

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

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

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

(a) Name(s) of the related party and nature of relationship: **NA**
(b) Nature of contracts/arrangements/transactions: NA
(c) Duration of the contracts / arrangements / transactions: **NA**
(d) Salient terms of the contracts or arrangements or transactions including the value, if any: **NA**
(e) Justification for entering into such contracts or arrangements or transactions: **NA**
(f) Date(s) of approval by the Board: **NA**
(g) Amount paid as advances, if any: **NA**
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **NA**

2. **Details of material* contracts or arrangement or transactions at arm's length basis:**
   (*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
12th August, 2019	Chairman	Managing Director

Annexure-6

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

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

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

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

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

2. **The composition of CSR committee**

   As at 31st March, 2019, the Corporate Social Responsibility Committee comprises of 3 (Three) members of the Board, all of them are Non-Executive Directors. The Chairman of the Committee is an Independent Director.

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

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

   The Average Net Profit of three financial years preceding the reporting financial year (i.e. 2017-18, 2016-17, 2015-16) calculated in accordance with section 135 of the Companies Act, 2013 is ₹ 8,004.43 Lacs.

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

   The prescribed CSR Expenditure to be incurred during the financial year i.e. 2018-19 is ₹ 160.09 Lacs.

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

   (a) Total amount spent for the FY = ₹ 153.83 Lacs
   (b) Amount unspent = 6.26 Lacs
   (c) Manner in which the amount spent during the FY is detailed below:

(₹ in Lacs)

S. No	CSR Project or activity defined	Sector in which the project is covered*	Projects or programs	Amount Outlay (budget) project or program wise	Amount spent on the projects or program	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	On Providing food and related services	(i)	Eradicating Hunger, poverty and malnutrition	10.00	3.11	3.11	THE AKSHYAPATRA FOUNDATION
2	On Promotion of Healthcare	(i)	Promoting healthcare including Preventive Healthcare through awareness programmes	20.00	10.51	10.51	BHAGIRATHI SEVA PRANYAS, PROJECT BALA, TERAPANTH YUAK PARISAD TRUST, LUNG CARE FOUNDATION
3	On Promotion of Education	(ii)	Promoting education and employment enhancing vocation skills	100.00	85.77	85.77	ROTARY CLUB, JAIPUR, SHRI JAIN SHEWTAMBER TERAPANTH SHIKSHA SAMITI, PRAKRAT BHARATI ACADMEY
4	On Welfare for disabled person and social welfare	(ii)	Employment enhancing vocation skills among children, women and differently abled	41.00	30.65	30.65	SHRI BHAGWAN MAHAVEER VIKLANG SAHAYATA SAMITI, SAMARPAN SANSTHAN
5	Animal Protection	(iv)	Ensuring environmental sustainability and ecological balance	30.00	23.79	23.79	HARE KRISHNA MOVEMENT
	Total			**201.00**	**153.83**	**153.83**	

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

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

   During the year under review, the total amount to be spent was ₹ 160.09 lacs and outstanding CSR amount for the last three years were ₹ 40.02 lacs. Our Company has spent ₹ 153.83 lacs during this year and the balance of ₹ 46.28 lacs has been carry forward to next year's budget.

Some additional projects were identified in beginning of the calendar year 2019 but could not be completed in time, hence the total amount required to be spent as per regulatory requirements in 2018-2019 could not be done.

Moreover, the Company is also considering various proposals for undertaking long term infrastructure development like building toilets and classrooms in Schools for its ongoing CSR initiatives. The above initiatives, when implemented, is expected to take care of the unspent amount of earlier years which was required to be incurred by the Company to fulfill its obligations as per Section 135 of the Companies Act, 2013 and also will go a long way in fulfilling the obligations of the Company towards CSR requirements for financial year 2019-2020.

7. Responsibility Statement

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

For and on behalf of Board of Directors

12th August, 2019	D. R. Mehta	Himanshu Baid
New Delhi	Chairman	Managing Director

Annexure-7

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

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	– Ratio of the remuneration of Shri Himanshu Baid, Managing Director to the median remuneration of the employees – 166 :1 – Ratio of the remuneration of Shri Rishi Baid, Executive Director to the median remuneration of the employees – 162 : 1 – Ratio of the remuneration of Shri Jas Karan Oswal, CFO – 20 : 1 - Ratio of the remuneration of Shri Avinash Chandra, CS – 3 : 1
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	– Shri Himanshu Baid, MD – 6.94% – Shri Rishi Baid, ED – 6.24% – Shri Jas Karan Sancheti Oswal, CFO – 26.77 % – Shri Avinash Chandra, CS – 22.19 %
(iii)	Percentage increase in the median remuneration of employees in the financial year	(10.12) %
(iv)	Number of permanent employees on the rolls of company	1,952 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)	45	CA 18 years	01.06.2011	Contractual	53,04,231/-	Self- Employment	3.26 % (includes wife shareholding)	Shri J.K. Baid Smt. MukulikaBaid Shri Himanshu Baid Shri Rishi Baid
2	Shri Hemant Bhalla V.P (Sales & Marketing)	60	BSc., Dip. in Business Management & Ind. dmn.) 38 Years	06.09.2006	Non Contractual	44,30,981/-	Self-Employment	-	No
3	Shri Sujit Kumar Gupta Sr. G.M. (Export)	44	B Com. PGDIB, EMBA 20 Years	13.09.1999	Non Contractual	42,08,879/-	-	-	No
4	Shri Pankaj Kumar Gupta Sr. G.M. (R&D)	52	BE (Tool Engg.) 30 Years	18.02.2008	Non Contractual	40,26,654/-	Eastern Medikit Ltd., as Manager	-	No
5	Shri S.S. Rawat Sr. G.M. (QA)	54	BSc. and MBA 33 Years	06.07.2009	Non Contractual	39,66,288/-	Ind-Swift Ltd, as Senior Manager (QA)		No
6	Shri Rakesh Bothra Sr. G.M. (Shipping &Logistics)	49	B.Com. (H), CA (Inter) 28 Years	27.11.2002	Non Contractual	36,28,949/-	BIDM Asia Pacific Systems P. Ltd. as Accounts Manager	-	No
7	Shri Abhinav Dixit Deputy General Manager, Sales and Marketing (Domestic)	40	B.E , Executive Post Graduation Diploma in International Business Strategy, 18 Years	01.07.2017	Non Contractual	27,67,463/-	Boyle Healthcare Pvt,Ltd,Media Systems Private Ltd,Fresenius Kabi India Pvt. Ltd, Nexogenix Life Sciences Pvt.Ltd	-	No
8	Shri Rishal khan, Deputy General Manager (Supply Chain)	49	B.sc, PGDCA, 25 Years	24.06.1996	Non Contractual	23,25,864/-	Escorts J C B Limited, HOODA PRINTGRAPHICS	-	No
9	Shri Bijaya Singh, Deputy General Manager (Opex and Works)	49	Diploma in Mecanical Engg., P.G.Diploma in Business Administration 26 Years	11.12.1996	Non Contractual	22,53,153/-	M/s R.P.S ENG,PYRITES PHOSPHAT & CHEMICAL LTD.M/s HINDUSTAN SYRINGES AND MEDICAL DEVICES LTD	-	No
10	Shri Manish Sardana, President (Sales & Marketing)	47	B. Pharma, MBA 21 years	02.01.2019	Non Contractual	18,43,559/-	Dabur Pharmaceuticals Ltd., Dexter India Pvt. Ltd., LG Life Sciences India Pvt. Llt., Technolas Singapore Pte Ltd., Karl Storz Endoscopy India Pvt. Ltd., Terumo India Pvt. Ltd.	-	No

Persons employed for the full year ended 31st March 2019 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	443.01	Electronics Engineer	31	20th September, 1996	51	Hanuman Tin Factory as Manager
2	Shri Rishi Baid	Executive Director	432.69	BSME, MSME	26	1st August, 1997	47	Miles Pharma Inc. USA as Engineer

Persons employed for part of the year ended 31st March, 2019 who were in receipt of the remuneration which in the aggregate was not less than ₹ 8,50,000/- p.m.

S. No.	Employee Name	Designation	Gross Remuneration (₹ In Lacs)	Qualification	Total Experience in Years	Date of commencement of Employment	Age in years	Last Employer & Designation Head
None								

Notes:

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

Annexue-8

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Healthcare Sector
Economic health of a country is strongly dependent on the health and wellness of its citizens. In order to ensure adequate levels of health and wellness, an effective healthcare ecosystem is a prerequisite.

World Health Organization (WHO) has defined basic building blocks of a healthcare system as "delivery of effective, safe, quality interventions; adequately trained and distributed workforce; a health information system that analyses and disseminates reliable data; safe and efficacious medical technologies that are cost effective and accessible; a financing system that raises adequate funds to ensure coverage to the population from any financial catastrophe; and a good governance system to oversee administration of these building blocks"

The Global Healthcare spending is projected to increase at an annual rate of 5.4% in 2018-2022, a considerable rise from 2.9% in 2013-2017. This increase reflects the expansion of health care coverage in developing markets, the growing care needs of elderly populations, advances in treatments and health technologies, and rising health care labor costs. Per person healthcare spending is expected to continue to vary widely. *(Source: Deloitte Report: 2019 Global Healthcare outlook)*

With 17% of world population and a GDP growth rate of 7.2%, India is amongst the fastest growing economies of the world. For it to continue on this growth path, access to good quality healthcare services for all its citizens is critical.

The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well private players. Indian healthcare delivery system is categorized into two major components - public and private. The Government, i.e. public healthcare system comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centers (PHCs) in rural areas. The private sector provides majority of secondary, tertiary and quaternary care institutions with a major concentration in metros, tier I and tier II cities.

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

Healthcare Infrastructure
Health infrastructure is an important indicator for understanding the health care policy and welfare mechanism in a country. It signifies the investment priority with regards to the creation of health care facilities. Infrastructure has been described as the basic support for the delivery of public health activities. Medical education infrastructure in the country has shown rapid growth during the last 25 years. The country has 476 medical colleges, 313 Colleges for BDS courses and 249 colleges which conduct MDS courses in FY 18. *(Source: National Health Profile 2018)*

There has been a total admissions of 52,646 in 476 Medical Colleges & 27060 in BDS and 6233 in MDS during 2017-18. *(Source: National Health Profile 2018)*

There are 3215 Institutions for General Nurse Midwives with admission capacity of 129,926 and 777 colleges for Pharmacy (Diploma) with an intake capacity of 46,795 as on 31st October, 2017. *(Source: National Health Profile 2018)*

There are 23,582 government hospitals having 710,761 beds in the country. 19,810 hospitals are in rural area with 279,588 beds and 3,772 hospitals are in urban area with 431,173 beds. 70% of population of India lives in rural area and to cater their need there are 156,231 Sub Centres, 25,650 Primary Health Centres and 5,624 Community Health Centres in India as on 31st March 2017. *(Source: National Health Profile 2018)*

It is estimated that India will require 2.07 million more doctors by 2030 in order to achieve a doctor-to-population ration of 1:1000

The Government's recent proposal to launch pathology labs at more than 5,000 Jan Aushadhi outlets across India, will be a significant development to make healthcare cheaper for common Indian, besides encouraging domestic manufacturing. Government also proposed to:

- Establishing 1.5 lakh health and wellness centres under Ayushman Bharat,
- Start setting up 75 new Medical Institutes,
- Reforms in Paramedical education sector and increase the doctor- population ratio to 1:1400, looks promising and will have far reaching positive impact on the MedTech industry.

Healthcare Market Size
Healthcare industry in India comprises of hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment & pharma. The industry is growing at a tremendous pace owing to its strengthening coverage, services and increasing expenditure by public as well private players.

- The hospital industry in India, accounting for 80% of the total healthcare market, is witnessing a huge investor demand from both global as well as domestic investors. The hospital industry is expected to reach $ 132 bn by 2023 from $ 61.8 bn in 2017; growing at a CAGR of 16-17%. *(Source: Investindia.gov.in/sector/healthcare)*
- The diagnostics industry in India is currently valued at $ 4 bn. The share of organized sector is almost 25% in this segment (15% in labs and 10% in radiology). *(Source : Investindia.gov.in / sector / healthcare)*
- The primary care industry is currently valued at $ 13 bn. The share of organized sector is practically negligible in this case. *(Source: Investindia.gov.in / sector/healthcare)*

In FY 17, Indian healthcare sector stood as the fourth largest employer as the sector employed more than 3 lacs people.

As per available information, more than 1 lakhs jobs are expected to be created from Ayushman Bharat, the National Health Protection Scheme.

Indian Medical Device Sector –an overview and growth opportunities
The Global Medical Device industry is poised for steady growth, with global annual sales forecast to rise by over 5% a year and reach nearly US$800 billion by 2030. *(Source: KPMG report: Medical Devices 2030)*

These projections reflect increasing demand for innovative new devices and services, as lifestyle diseases become more prevalent, and economic development unlocks the huge potential in emerging markets – particularly China and India.

Despite these apparently attractive prospects, a shadow hangs over the sector in the form of a relentless downward pressure on pricing. Governments around the world are desperately trying to reduce the cost of healthcare – especially in the most expensive part of the system: hospitals. They want to pay less for medical services and see proof of greater value in terms of better patient outcomes.

The Indian Medical Devices market currently valued approx. at USD 7.5 billion and growing at 12-15 % CAGR vis-à-vis a CAGR of 5% for the Global medical devices industry.

India among top 20 global medical devices market and 4th largest medical devices market in Asia after Japan, China and South Korea.The medical device market continues to be dominated by imported products, which comprise of around 70% of total sales.

Growth Drivers for Indian Medical Device Sector.
India ranks 145th among 195 countries in terms of quality and accessibility of healthcare. There is immense scope for enhancing healthcare services penetration in India, thus presenting ample opportunity for development of the healthcare industry *((Source: Indian Brand Equity Foundation Report)*

The government's expenditure on the health sector has grown to 1.4% of GDP in FY18 from 1.2% of GDP in FY14. As per the recent reports the new government is planning to increase public health spending to 2.5% of the country's GDP by 2025.

The demand for medical devices is predicted to rise so as to meet the demands of a growing population. According to the United Nations, India's population is set to touch 1.45 billion by 2028, making it the world's most populous nation. With socio-economic changes such as rapid urbanisation, demographic and lifestyle changes, the society is more prone to lifestyle-related ailments, including diabetes, obesity, stroke and cancer.

Also, out of the total population, the share of ageing population in 2011 was approx. 5.3% and is expected to increase to 6% of the total population by 2021. With an increasingly ageing population, there will be a greater demand for better health care facilities and medical devices.

Also, with a large number of private players making their foray into healthcare, there is a growth in the number of hospitals, diagnostic centers and specialized facilities. Most of these hospitals have their quality and accreditation at par with international standards. Many hospitals have already received the National Accreditation Board for Hospitals & Healthcare Providers (NABH) accreditation in the last decade.

<u>Factors responsible for demandgrowth:</u>
- Rising incomes and affordability
- Large population base and emerging middle class

- Growing elderly population, changing disease patterns
- Better awareness of wellness, preventive care and diagnosis

Policy Support by government

- NRHM allocations increased substantially for healthcare facilities
- National Health Insurance Mission to cover majority of the population

The Indian medical device market offers a great opportunity not only of its size, but also because of encouraging policies and regulations that the Government has introduced to give a fillip to the medical device industry.

Ayushman Bharat (AB-PMJAY): The Game Changer
AB-PMJAY, launched in 23rd September 2018, is the future of India's healthcare ecosystem. The scheme which is aimed to serve the population equal to the total population of the entire European Union, and almost equal to the population of Canada, Mexico and the US taken together.

The largest public funded scheme in the world is undoubtedly a gigantic scheme with a very big vision and we are all hopeful of many positive outcomes.

- The major highlights of the scheme are;
  - ➢ Over 10 Cr Family will be provided health assurance worth five lakh rupees each, every year, targeting more than 50 crore beneficiaries.
  - ➢ More than 1,300 ailments are covered under it, including heart diseases, kidney and liver disorders and diabetes. Covers secondary and tertiary care hospitalization.
  - ➢ 2,500 new hospitals expected to come up in next 2/3 years in tier-II and tier-III cities and would also generate employment opportunities and greater demand to Medical devices.
  - ➢ Already 13,000 hospitals have become a part of this scheme.
  - ➢ Will transform around 1,50,000 Sub centers and primary health centers into Health and Wellness Centers (HWC).

The "Ayushman Bharat" is a path-breaking initiative of the Government of India, and is expected to impact positively across all levels of care. It has opened up multiple avenues for growth of Medical Devices Industry.

- Increased demand for medical devices
- Increased collaboration opportunities with the government specially in the sectors of primary care and diagnostics
- Increased collaboration opportunities with private healthcare providers
- Boost medical devices manufacturing in India

Medical Devices Rules:
Ministry of Health and Family Welfare (MoHEW) implemented Medical Devices Rules in January 2018. These rules aim at easing the business for medical technology sector:

- Exact detailed definition of the medical devices
- Risk-based classification as the rules have four classes defined, classified from Class A (lowest risk class) to Class D (highest risk class)
- Single window clearance system brought in through a single online portal
- Timelines defined for each step including application processing, audits etc.
- Quality standards for the products have been defined and companies will have to comply to them
- Separate provisions for clinical trials of investigational devices defined
- No periodic renewal of licenses required

The new Medical Devices Rules signifies a shift and acknowledgement of need to manage medical devise as a distinct industry from pharmaceuticals. Smooth roll-out of Medical Devices Rules was facilitated by government-industry collaboration. It is expected that all Medical Devices will get regulated under new rules which will bring in standardization of products to improve quality & patient safety.

National Medical Device Promotion Council:
Government announced setting up of the National Medical Device Promotion Council under Department for Industry Policy & Promotion (DIPP) in December 2018. The Prime objectives of the National Medical Devices Promotion Council are:

- Act as a facilitating, promotional & developmental body for the Indian Medical Devices Industry (MDI).
- Render technical assistance to the agencies and departments concerned to simplify the approval processes for Medical Devices Industry promotion and development.
- Enable entry of emerging interventions and support certifications for manufacturers to reach levels of global trade norms and lead India to an export driven market in the sector.
- Facilitate domestic manufacturers to rise to international level of understanding of regulatory and non- regulatory needs of the industry.
- Drive a robust and dynamic Preferential Market Access (PMA) policy by identifying the strengths of the Indian manufacturers and discouraging unfair trade practices in imports
- Ensure pro-active monitoring of public procurement notices across India to ensure compliance with PMA guidelines of Department of Industry Policy & Promotion (DIPP) and Department of Pharmaceuticals (DoP).
- Make recommendations to government based on industry feedback and global practices on policy and process interventions to strengthen the medical technology sector.

The setting-up of the Council will spur domestic manufacturing in this sector as Indian companies and startups have stated moving towards creating innovative products.

Way ahead

Indian healthcare sector is much diversified and is full of opportunities in every segment which includes providers, payers and medical technology companies. With the increase in the competition, businesses are looking to explore for the latest dynamics and trends which will have positive impact on their business.

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

The Indian medical device industry continues its upward march of growth and is strongly supported by India's robust legal framework. There are certain challenges to do business of medical device in India, but they can be easily overcome with government support. The MedTech industry is redesigning its business model in line with the changing landscape -India-specific projects and Mobile solutions to reach tier 2 and 3 cities. Government and industry collaboration in different areas like Health Technology Assessment, Innovative digital healthcare business models will help government's aim of universal health coverage and further boost the MedTech industry in the country.

Overview of the Company

The Company is engaged in the development, manufacturing and marketing of quality Disposable Medical Devices. We manufacture and supply in India and Internationally, a diverse portfolio of disposable medical devices in the product verticals of Infusion therapy, blood management, gastroenterology, surgery and wound drainage, anesthesia and urology. The Company has a well-diversified and de-risked business model in India and rest of World, comprising a wide range of products, in over 105 countries.

The competitive edge Company has built over the years, in terms of customised products for every market where it operates, continues to provide it the impetus for growth.

The Company has got **"Medical Device Company of the year 2018"** award from Department of Pharmaceuticals, Government of India during the 4th International Conference on Pharmaceutical & Medical Device sector.

The Company received **"Export Excellence Award"** by Faridabad Industries Association, Haryana.

The Company also received **"dare to dream"** award by **Zee Business** in the category of emerging Company of the year and Clarivate Analytics India Innovation Awards 2018 under the category **"Leading with Disruptive Innovation".**

The Company received the "Top Exporter Award" (1st Prize) for highest export of Plastic Medical Disposables for Continuous last 6 years from "The Plastics Export Promotion Council (sponsored by Department of Commerce, Government of India)."

Business Operations and Manufacturing Facilities

The Company currently operates five Manufacturing units in India, three of which are located at Faridabad (Haryana), one at Jaipur (Rajasthan) and one at Haridwar (Uttarakhand). Our manufacturing units located at Faridabad, Haryana commenced commercial operations in Fiscal 1997, Fiscal 2004 and Fiscal 2018, and are spread over a total area of 3,720 square meters, 7,920 square meters and 7,875 square meters respectively. Our manufacturing unit located at Haridwar, Uttarakhand commenced commercial operations in Fiscal 2008 and is spread over a total area of 3,825 square meters. Our manufacturing facility in Jaipur, Rajasthan commenced commercial operations in Fiscal 2015 and is spread over a total area of 31,211.74 square meters.

The Company has over 400,000 sq. feet of manufacturing area in use which includes over 100,000 sq. feet of Grade C 10,000 to Grade D 100,000 (ISO Class 7 & 8) Clean Room Area.

Foreign Facilities

The Company also having its manufacturing facilities in China, Egypt (JV) and Italy.

The Company operates in manufacturing facility situated at Laiyang-Qingdao, China, through Poly Medicure (Laiyang) Co. Ltd., our wholly owned subsidiary. This facility commenced commercial operations in fiscal 2010.

The Company also holds 23% equity interest in Ultra for Medical Products, Egypt, which operates a manufacturing facility in Assuit, Egypt for disposable medical devices. This facility commenced commercial operations in fiscal 2004.

The Company has also acquired Plan1health s.r.l., an Italy based Manufacturing Company. By this acquisition the Company will be able to offer a complete assortment of high end Vascular Access Devices and accessories.

Manufacturing Process & Technology

The Company has been continuously upgrading our manufacturing process and technology. We are using most advanced production machines and cutting edge technology to manufacture medical devices under clean room conditions. The use of these advance systems has resulted in consistency in quality.

The Company has invested in Automating the manufacturing processes and production lines to the core by deploying artificial intelligence and robotics. We will also promote their adoption across different manufacturing lines.

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

Products Categories

Your Company has multiple products in following categories:-

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

This year Company is introducing new products in VASCULAR ACCESS / INFUSION THERAPY.

Research and Development

The Company operates a research and development center at Faridabad, Haryana, which is approved by DSIR. Our Research and Developments are primary focused on developing new products within existing as well as new critical care product verticals and further improving existing processes and productivity. Today, POLYMED is considered a technologically superior brand, which is a result of its advanced Research and Development facility and team. To combat competition and excel in the segment of Medical Devices, the Company's Research and Development department has worked tirelessly to develop new and innovative products which can meet the demands of end-user.

As a part of development process, R&D interfaces with marketing team to conduct research and to understand the requirements of the customers and create products with new features.

Sales and marketing network

The Company has a country wide sales and distribution network in India which enables us to a wide market base. As of March, 31st 2019, our distribution network included over 25 super distributors, over 10 authorised agents and over 1300 dealers. We have over 250 persons in Sales, Marketing and Product Management Team. Globally we have dedicated Sales Network and Tie-up with key distributors in over 105 countries including in Europe, south-east Asia, the Middle

East, Americas and Africa, distributing through a network of approximately over 200 distributors. Approximately 70% of our total revenues come from exports.

Financial Performance (Consolidated)

Income

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

Total revenue increased from ₹ 53,605.37 lacs in fiscal 2018 to ₹ 62,909.24 lacs in fiscal 2019 i.e. 17.36 % and this 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 ₹ 52,167.79 lacs in fiscal 2018 to ₹ 61,082.53 lacs in fiscal 2019, which was primarily due to increased sales of our products.

Sale of products increased from ₹ 50,861.16 lacs in fiscal 2018 to ₹ 59,100.89 lacs in fiscal 2019 primarily on account of increase in sales of our products, including from the continued sale of our medical devices Infusion therapy products and blood management products.

Other operating revenues increased from ₹ 1306.63 lacs in fiscal 2018 to ₹ 1981.64 lacs in fiscal 2019.

Other Income

Other income increased from ₹ 1,437.58 lacs in fiscal 2018 to ₹ 1,826.71 lacs in fiscal 2019 primarily on account of increase in interest income and gains on net foreign exchange fluctuations.

Expenses

The Company's total expenses increased from ₹ 44,054.25 lacs in fiscal 2018 to ₹ 53,041.67 lacs in fiscal 2019.

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 ₹ 16,505.01 lacs in fiscal 2018 to ₹ 20,866.39 lacs in fiscal 2019 due to increased production.

Employee Benefit Expenses

Employee benefit expenses increased from ₹ 9,912.59 lacs in fiscal 2018 to ₹ 11,660.71 lacs in fiscal 2019, primarily due to an increase in the salaries, wages and bonus, and on account of increase in the number of employees from 1,926 as on March 31, 2018 to 1952 as on March 31, 2019.

Research and development expenses

Research and development expenses increased from ₹ 1004.78 lacs in fiscal 2018 to ₹ 1014.90 lacs in fiscal 2019, 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 1.87% in fiscal 2018 to 1.61 % in fiscal 2019.

Other Expenses

Other expenses increased from ₹ 12,584.89 lacs in fiscal 2018 to ₹ 14,595.39 lacs in fiscal 2019, primarily on account of increase in job work charges, power and fuel expenses and other manufacturing expenses.

Earnings before interest, tax and depreciation

The Company's EBITD increased from ₹ 13,596.03 lacs in fiscal 2018 to ₹ 14,911.73 lacs in fiscal 2019. This is 23.70 % of total revenue as against 25.36 % in previous year.

Depreciation and amortization expenses

The Company's depreciation expenses increased from ₹ 2,924.40 lacs in fiscal 2018 to ₹ 3,729.22 lacs in fiscal 2019 due to more capitalization in existing plant as well as new plant.

Finance costs

The Company's finance costs increased from ₹ 996.48 lacs in fiscal 2018, to ₹ 1175.06 lacs in fiscal 2019, primarily on account of increase in borrowings.

Profit Before Tax

The Company's profit before tax increased from ₹ 9,675.15 lacs in fiscal 2018 to ₹10,007.45 lacs in fiscal 2018.

Tax Expenses

Tax expenses increased from ₹ 2615.76 lacs in fiscal 2018 (which consist of current tax of ₹ 2,536.55 lacs and deferred tax of ₹ 79.21 lacs) to ₹ 3467.55 lacs in fiscal 2019 (which consist of current tax of ₹ 3,085.58 lacs, deferred tax of ₹ 293.27 lacs and Tax adjustment for earlier years ₹ 88.70 lacs) primarily due to an increase in the profit for fiscal 2019.

Share of profit from associates

Share of profit from our associate Ultra for Medical Products Company (ULTRAMED) Egypt, increased from 124.03 lacs in fiscal 2018 to ₹ 139.88 lacs in fiscal 2019.

Profit for the Year

For the various reasons discussed above, profit for the year decreased from ₹ 7,059.39 lacs in fiscal 2018 to ₹ 6,539.90

lacs in fiscal 2019. This is 10.62% of total revenue as against 13.17% in previous year.

Risks Management

Risk management is an integral part of business practices of the Company. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The Company has developed and implemented a comprehensive risk management system to ensure that risks to the continued existence of the Company as a going concern and to its growth are identified and remedied on a timely basis. While defining and developing the formalised risk management system, leading standards and practices have been considered.

The risk management system is relevant to business reality, pragmatic and simple and involves the following:-

Focused on identifying relevant risks, creating, updating clear definitions to ensure undisputed understanding along with details of the underlying root causes and contributing factors. There are many kinds of risks associated with the Company. Economic risk, Raw material risk, Human resource risk, Supply chain risk, Competition risk, Compliance risk are associated with our Company. Focused on determining risk priority and risk ownership for critical risks, this involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls. Addressing critical risks to restrict their impact(s) to an acceptable level, this involves a clear definition of actions, responsibilities and milestones as a diverse portfolio offerings helps your Company build a natural risk hedging capability against any undesired economic developments in the country or in a particular region of the market. Long-term relationships with most suppliers enable your Company to have an uninterrupted supply of raw material and inputs, and at competitive rates. Additionally, your Company has also implemented a robust network that closely monitors fluctuations in prices of raw materials and any market changes. It generates requisite data that helps your Company plan the procurement of its raw material effectively, and this is further strengthened by strong vendor management skills. Owing to its high-quality standards, popular products and a diversified portfolio across categories, your Company enjoys strong brand equity among the customers. Your Company, at all times, strictly ensures adherence to all the statutory rules and regulations, with timely corrections made, as and when required. The Company focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

Internal Control System & Adequacy

The internal control systems of the Company are commensurate with the nature of its business and size and complexity of its operations. These are routinely tested, certified and upgraded wherever required by the Statutory as well as the Internal Auditors covering all key areas of business. Audit observations and follow up actions and recommendations there on are reported to the higher Management and Audit Committee for their review.

Your company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Your company's policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

The CFO, internal auditors together with external auditor verifies that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects. The Audit Committee reviews audit reports and financial statements for the quarter and year based on internal risk assessment. Audits are conducted on an ongoing basis and significant deviations, if any, are brought to the notice of the audit committee following which corrective action is taken for implementation.

The Company is working with reputed firms specialised in internal audit function. The combined efforts are helping the Company to introduce best practices required to manage its business.

Related party transactions

All Related Party Transactions during the financial year 2018-19 were on arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. All such transactions are placed before the Audit Committee for review/approval. The necessary omnibus approval has been obtained from Audit Committee wherever required. There were no material Related Party Contract / Arrangement / Transactions made, other than disclosed in AOC-2 of Director's Report by the Company during the year that would have required Shareholders' approval under provisions of Section 188 of the Companies Act, 2013 or of the Listing Regulations. There were no material related party transactions during the year 2018-19 that have conflict with the interest of the Company as provided under Section 188 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations. All related party transactions have been approved by the Audit Committee and/or by the Board. The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on Company's website i.e. www.polymedicure.com

Details of Related Party Transactions entered into by the Company during the financial year 2018-19 are provided in Note 38 to the Financial Statements.

Environment Health and Safety

The Company is continuously working on innovative technologies to design effective Waste Management Systems. The primary focus of the Company has been clean environment solutions. The Company plans to reduce the water consumption in its manufacturing process year on year and adopt techniques to conserve and recycle water.

The Company is continuously adopting new techniques to reduce the effluent generation in the Process. Environmental requirements are incorporated into the plant design right from the preliminary stage of a process. Air Scrubbers, Dust Filters, Fire Protection Systems and Effluent Treatment Plants are in place & well maintained.

During the year, the Company has conducted various training programmes in all units regarding use and importance of Safety Awareness and behavior related to safety. We regularly conducts training programme on 'Kaizen' and 'Behavior Based Safety in Organization (Industrial Safety Awareness)'. Training programme on First Aid, Fire Fighting and Rescue Operations in any type of emergency is conducted for the employees of the Company regularly. Fire Hydrant Systems, all types of Fire Extinguishers, Smoke and Heat Detectors are installed to control the fire hazard in all our units. The Company is making continuous efforts to create safer working conditions for the workers.

Opportunity and Future Prospects

There is one major shift taking place - the sector is witnessing accelerating technological transformation. There are both challenges and opportunities that emerge with the changing scenario. Polymed is present in over 100 countries globally and operates in very close proximity to all its customers. The Company constantly engages with key stakeholders to understand ever changing demands in the Industry and implement new ideas across all products.

Polymed is working on bringing innovative technology to its customers that takes care of their present and future requirements. The need of the hour is innovative solutions for medical devices. The Company works towards its vision of a world in which highest quality of healthcare is made available to all. This requires it to further strengthen its already wide product portfolio. With the acquisition of Plan1 health s.r.l., an Italy based manufacturing Company, gave access to new technology in Oncology and Vascular Access devices and opens up more opportunities with the worldwide customer base. Plan1 Health products adhere to highest quality standards in Europe and are synergetic with Company's product portfolio.

Human Assets

The Company believes that People are the foundation on which the businesses are built and it remains a key focus area. It has continued with its drive to institutionalise and upgrade HR processes.

The Company believes in shared values and goals. All team members collaborate, share knowledge, communicate and support one another. They believe that any result positive or not is an outcome of their collaborative efforts. This collaborative team spirit has resulted in Continuous Improvement and made us stay at the top.

The Company's Human Resources Function is committed to a forward looking approach with its eyes on the future. It starts with attracting the right kind of talent, its seamless integration with the organisational objective and creating an enabling culture that sets nothing less than the continued pursuit of higher standards of performance and goals. With this objective, HR Function creates a roadmap for the growth and development of each and every team member.

By virtue of Company's progressive people-centric HR policies, practices and compelling employee experiences, the Company's has been performing consistently. Individual's with ability to excel and contribute exceptionally and consistently deserves special recognition.

We believe that our people are our competitive edge and we empower them with initiatives to develop these edges on professional or personal advancement. Polymedians believe in new challenges and new opportunities, new horizons every day, to excel, outperform and outshine.

This roadmap encompasses more than just skill training interventions. It covers implementing best in class HR Practices such as functional and general management; competency mapping and development; mentoring by seniors, cross functional knowledge, framework of policies and practices, roles and responsibilities, etc. The idea is that our teams always stay relevant and updated for making all the difference.

It is not only the employees who are important to Company. For us, the extended 'Polymed Family' that includes the family members of our employees is also critical to our success. It stems from the belief that a happy employee at work is the one who is happy back home. And hence, we aim to raise the happiness quotient of the families of our employees as well.

The total Strength of employees of the Company was 1952 as on 31st March, 2019.

Insurance

The Company maintains insurance policies with reputed independent insurers in relation to our business and operations and our assets such as our buildings, equipment and inventories. Our principal types of insurance coverage include directors and officers insurance, product liability insurance to cover risks arising from injuries or damages caused by our products, standard fire and special perils insurance for our plants and machineries and buildings at our manufacturing facilities to cover risks such as fire and other ancillary perils and marine cargo policy to cover various risks during the transit of goods anywhere in the country or overseas. We also maintain group personal accident insurance and group mediclaim policy for our employees. Our operations are subject to hazards inherent to our industry and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Not all risks associated with our business and operations may be insurable, on commercially reasonable terms, or at all. Although we believe that the amount of insurance currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

Our Strengths

The Company is providing quality medical devices in global markets at an affordable price. At Polymed, a highly experienced pool of R&D Engineers are creating value added features in product at much lower costs for the Company, for the global as well as domestic market. Over the years, this continuous initiative has resulted in a steady flow of new products, a well-balanced pipeline of assets, thus strengthening the Company's competitiveness globally. The Company has complete integrated R&D, technology and engineering capabilities that enables it to design and develop new technologies on a sustainable basis. R&D has always been the thrust area which has enabled the company to introduce many new products in a short time. The Company continues to enhance its R&D capabilities and capacities to develop differentiated and high technology products for India and global markets.

Competition

The sector at present growing around 12-15% Compound Annual Growth Rate ("CAGR"). A significant percentage of purchasers of medical devices are private medical institutions and hospitals. Due to increased competition in Tier I cities, private enterprises have started to focus on Tier II and Tier III cities, a market which is until now untapped in India. As private enterprises expand in lesser explored markets, the demand for medical devices will expand proportionally.

The Company faces competition from domestic as well as large Multi-national companies. The Company competes with them on technology, quality, price and performance of products time to time. By being present in over 105 countries, the Company has reasonable competitive information which helps it to plan and execute its business in a better way.

Cautionary Statement

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates regarding future performance may be "forward looking statements" and are based on currently available information. The management believes these to be true to the best of its knowledge at the time of preparation of this report. However, these statements are subject to certain future events and uncertainties, which could cause actual results to differ materially from those, which may be indicated in such statements. Investors, therefore, are requested to make their own independent judgements before taking any investment decisions.

Annexure-9

A. Conservation of Energy

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

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

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

i. Reduce, renew, recycle of waste and eco-friendly water disposal

ii. Use of Turbo Ventilators in place of electric exhaust fans resulting in conservation of energy

iii. Use of higher cavitation molds which can provide same output with lesser energy consumption

iv. Use of gravity feeds in place of mechanized and motorized feeds

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

vi. DG Set voltage optimization and power factor improvements

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

viii. Energy conservation drive at all Plants and rationalization of manufacturing cycle times.

ix. Air audit conducted time to time to plug air leakages on all electric molding machines

x. Replacing the inefficient machines and systems with more efficient equipment

xi. Installed solar panels as our commitment to promote the use of renewed energy sources

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

i. Purchasing of power from open access at Faridabad location instead of running DG resulting in diesel consumption reduction and cost savings

ii. Installation of energy efficient Chillers to reduce energy consumption

iii. Replacement of inefficient saving pumps with energy saving pumps

iv. Replacement of motors with energy efficient motors

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

vi. Standardizing the production lines

vii. Use of high efficiency molds and reducing the wastage

We have installed a 50 kw capacity Solar power plant on roof top with imported high efficiency modules & controller / inverter at one of our manufacturing facility at Sec-59 Faridabad. Modules are mounted on roof top at purlin with the help of high quality aluminium channels & fastners. It is a online grid type setup which is synchronize with our LT panel's bus bar.

Our System generates more than 225 kwh per day when good quality sunlight is available with ambient temprature is around 25*c. But, as we all know, the sun is available only during daylight hours, and the amount available per day is highly dependent on the extent of cloud cover. Also, the length of each day is dependent on the season. However we are achieving average 200 kwh per day.

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.

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 through innovations and undertook multifold research activities including:

- Development of new design, processes and products
- Development of new techniques in making process improvements

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

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

Some of the benefits derived as a result of Research and Development are as follows:

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

3. Future plan of action

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

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

(₹in Lacs)

	Expenditure on Research & Development	Year Ended 31.03.2019	Year Ended 31.03.2018
(a)	Capital	22.30	240.64
(b)	Revenue	1,014.90	1,004.78
	Total	**1,037.20**	**1,245.42**
	Total Research and Development Expenditure as percentage of total turnover.	1.72%	2.38%

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

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

ii. Benefits derived as results of the above efforts:

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

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

a)	Technology Imported.	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 exhibitions, which are very helpful in improving the visibility of various products in International markets and widening its customer base.

Foreign Exchange used and earned

(₹ in lacs)

	Particulars	2018-19	2017-18
(a)	Foreign Exchange Used	15,543.68	14,555.29
(b)	Foreign Exchange Earned	38,674.59	34,479.04

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 2018-19 based on the said requirements.

1. BOARD OF DIRECTORS ("BOARD")

Composition of the Board of Directors

As on 31st March, 2019, the Company has nine Directors, of which seven are Non-executive Directors including four Independent Directors. The Board has one Women Director. The Composition of the Board is in the conformity with Regulation 17(1) of SEBI (LODR) Regulations, 2015. None of the Directors on the Board is Member of more than ten committees or Chairman of more than five committees across all the companies as on 31st March, 2019 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. All the 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, 2019 is as under:

Shri Devendra Raj Mehta

Shri Devendra Raj Mehta, aged 82 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 48 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 77 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 50 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 69 years, is a non-executive Director of the Company. She holds a bachelor's degree in arts from Jodhpur National University. She has 18 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 72 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 44 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 60 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 29 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 51 years, is a Director of Our Company. He holds a bachelor degree as MBBS and Post Graduation Degree as MD. He was a Senior Consultant in Gastroenterology, Hepatology and Interventional Endoscopy Indraprastha Apollo Hospitals, New Delhi. He was also Staff Gastroenterologist and Hepatologist, Lourdes Medical Associates, Cherry Hill, USA. He has around 28 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 Himanshu Baid

Shri Himanshu Baid, aged 51 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 22 years of experience in manufacturing, sales and marketing of disposable medical devices. He has been associated with the Company since its incorporation.

Shri Rishi Baid

Shri Rishi Baid, aged 47 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 22 years of experience in manufacturing, operations and R&D of disposable medical devices. He has been associated with the Company since its incorporation.

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 2019, the Board of Directors met four times on 10th May, 2018, 01st August, 2018, 29th October, 2018 and 25th January, 2019. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The names, designation & categories of the Directors on the Board, their attendance at respective Board Meetings held during the year and last Annual General Meeting and total number of Shares held by them in the Company are as under:

Details of the Board of Directors

Name of the Directors	Category of Directorship	No. of Board Meetings attended /held	Last AGM Attended	No. of Directorship in other Companies	Committee Positions*		No. of Shares as on 31st March, 2019
					Member	Chairman	
Shri D.R. Mehta (DIN: 01067895)	Non Executive Independent Director	4/4	Yes	8	7	4	NIL
Shri J.K. Baid (DIN: 00077347)	Non-Executive Director	4/4	Yes	1	1	-	22,79,376
Shri P.C. Surana (DIN: 00361485)	Non-Executive Independent Director	2/4	Yes	2	1	3	2,098
Dr. S.R. Mehta (DIN: 02132246)	Non-Executive Independent Director	4/4	Yes	5	3	2	NIL
Shri Himanshu Baid (DIN: 00014008)	Managing Director	4/4	Yes	6	2	3	79,07,624
Shri Rishi Baid (DIN: 00048585)	Executive Director	4/4	Yes	5	2	-	99,93,048
Smt. Mukulika Baid (DIN:02900103)	Non-Executive Director	4/4	Yes	-	1	-	30,62,400
Dr. Sandeep Bhargava (DIN:07736003)	Non-Executive Independent Director	4/4	No	-	1	-	NIL
Shri Alessandro Balboni(08119143)	Non Executive Non Independent Director	3/4	Yes	-	-	-	NIL

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

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

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

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

Directors with materially pecuniary or business relationship with the Company
There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and/or independent Directors for the period under report.

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 judgement 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 statutory auditors;
    - ➢ 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 26, 2018 and was attended by Shri Prakash Chand Surana, Chairman of the Audit Committee.

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

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

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

10th May, 2018; 1st August, 2018; 29th October, 2018 and 25th January, 2019.
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 P.C. Surana	Independent Director/ Chairman	1/1	25,000
Dr. S. R. Mehta	Independent Director/ Member	0/1	Nil
Shri D. R. Mehta #	Independent Director/ Member	1/1	25,000

During the year, under review, a meeting of Nomination and Remuneration Committee was held on the 10th May, 2018.

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 thereof and 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, 2019 are given hereunder:

(In ₹ lacs)

Name of the Member	Salary Perqui-sites	Commi-ssion	Sitting Fees	Total
Shri D.R. Mehta	-	7.50	3.50	11.00
Shri J.K. Baid	-	7.50	2.25	9.75
Smt. Mukulika Baid	-	7.50	2.25	9.75
Shri P.C. Surana	-	7.50	1.75	9.25
Dr. S.R. Mehta	-	7.50	3.25	10.75
Dr. Sandeep Bhargava	-	7.50	2.25	9.75
Shri Himanshu Baid	143.01*	300.00	-	443.01
Shri Rishi Baid	132.69*	300.00	-	432.69

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

INDEPENDENT DIRECTOR MEETING

During the year under review, the independent Directors met on 10th May 2018, 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	Executive Director / Member	1/1	Nil

During the year, under review, a meeting of Stakeholders Relationship Committee was held on the 1st August, 2018.

The Company has designated Mr. Avinash Chandra, Company Secretary as the Compliance Officer.

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 2018-19 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	01	01	NIL

No complaint was outstanding as on 31st March, 2019.

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 10th May, 2018.

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 2015-16, FY 2016-17 and FY 2017-18 are as follows:

Meeting	Date and Time	Venue
21st AGM	Tuesday, 27 September, 2016 at 10:00 a.m.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi, 110016.
22nd AGM	Tuesday, 28 September, 2017 at 10:00 a.m.	
23rd AGM	Wednesday, 26 September, 2018 at 10:00 a.m.	

Special resolution passed in last three AGM:

21st AGM held on 27 September, 2016

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

22nd AGM held on 28 September, 2017

- To appoint Dr. Sandeep Bhargava as an Independent Director upto the conclusion of 24th Annual General Meeting of the Company.

23rd AGM held on 26 September, 2018

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

Special Resolution passed during the year 2018-19 through Postal Ballot

Resolution passed through Postal Ballot

During the financial year ended March 31, 2019, 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. B.K. Sethi of M/s B.K Sethi & Company, Practicing Company Secretary (M. No. 853, C.P No.913) 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 Thursday, 28th

February, 2019 at 09.00 A.M. and ends on Friday 29th March, 2019 at 5.00 P.M. and the NSDL e-voting platform were blocked thereafter. The last date of the receipt of Postal Ballot Forms by the Scrutinizer was 29.03.2019. The result of the Postal Ballot (including e-voting) was announced on 30.03.2019. 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:

S. No.	Particulars	Type of resolution (Ordinary/ Special)	Particulars					
			No. of Voters	No. of votes	% of total valid votes cast	No. of Voters	No. of votes	% of total valid votes cast
1.	Approval for continuation of Mr. Devendra Raj Mehta as Director	Special	60	70899938	99.99	16	5912	0.01
2.	Approval for continuation of Mr. Jugal Kishore Baid as Director	Special	63	28113932	99.99	13	2166	0.01
3.	Ratification/Approval for Special Resolution passed for approval of ESOP Scheme 2015	Special	59	66810763	94.22	16	4095047	5.78

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 of business and was complied with provision of section 188 of the Companies Act, 2013. Thus disclosure in form AOC-2 is also provided. Further there are no material related party transactions during the year under review with the promoters, Directors or Key Managerial personnel. The details of the Related Party transactions during the year are given in the notes forming part of the financial statements.

b) Details of non-compliance by the Company, penalties, 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.

No penalty or stricture was imposed by the Sock Exchange or SEBI or any statutory authority.

c) Whistle Bowler Policy/Vigil Mechanism

Pursuant to Section 177(9) and (10), of the Companies Act, 2013, and Regulation 22 of the Listing Regulation, the Company has formulated whistle Bowler policy for vigil Mechanism of Directors and employee to report to the management about the unethical behavior, fraud or violation of Company's code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit committee in exceptional cases. The whistle bowler 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 the Companies 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 Board was informed of the same.

f) Management Discussion & Analysis Report

As required by the Listing Agreement and regulation 34(2)(e) of the SEBI (Listing Obligation and Disclosure Requirements)Regulations, 2015, the Management

Discussion & Analysis is provided separately in the Annual report.

g) Code of Conduct and Corporate ethics

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

Some of our policies are:

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

h) CEO/CFO Certification

The Compliance Certificate by CEO 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 PCS regarding declaration for Directors not debarred or disqualified from being appointed**

A certificate has been received from M/s. B.K. Sethi & 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.

6. Means of Communication

In accordance with Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has maintained a functional website at www.polymedicure.com basic corporate information about the Company viz. details of its Business, Financial Information, Shareholding Pattern, compliance with code of conduct etc. The contents of the said website are updated from time to time. The quarterly, half yearly and Annual Results are published in “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 the 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 commodities

<table>
<tr><th rowspan="3">Commodity Name</th><th rowspan="3">Exposure in ₹towards the particular commodity</th><th rowspan="3">Exposure in Quantity terms towards the particular commodity</th><th colspan="5">% of such exposure hedged through commodity derivatives</th></tr>
<tr><th colspan="2">Domestic market</th><th colspan="2">International market</th><th rowspan="2">Total</th></tr>
<tr><th>OTC</th><th>Exchange</th><th>OTC</th><th>Exchange</th></tr>
<tr><td colspan="8">NIL</td></tr>
</table>

7. General Shareholders Information:

Annual General Meeting Day, Date and Time & Venue	Monday, 23rd Day of September, 2019 at 10 a.m. at NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi- 110016
CIN No.	L40300DL1995PLC066923
Financial Year	1st April, 2018 to 31st March, 2019
Date of Book Closure	17th September, 2019 to 23rd September, 2019 (both days inclusive)
Dividend Payment Date	Dividend for the FY ended 31st March, 2019, if approved, at the AGM, shall be paid from Saturday 5th October, 2019
Listing of Equity Shares on Stock Exchange(s)	Bombay Stock Exchange 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-010-019, 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

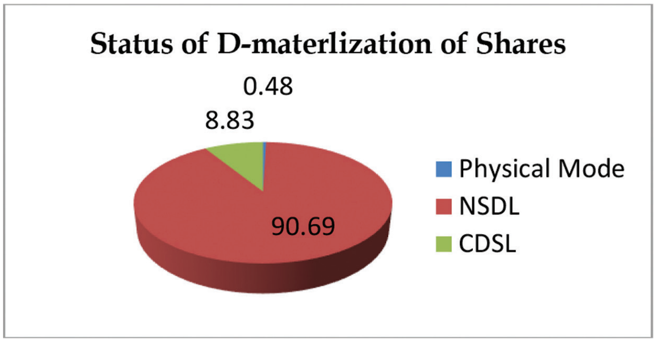
Physical Share Transfer System

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, 2019 is as under:

Mode	No. of Shares	%age (Percentage)
Physical Mode	426234	0.48
NSDL	80023439	90.69
CDSL	7787257	8.83
Total	8,82,36,930	100.00



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

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

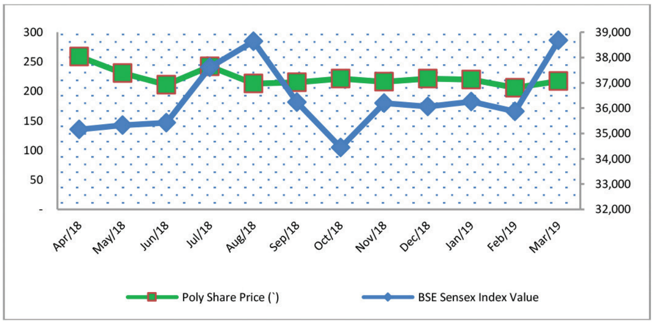
Listed on Stock Exchange(s)

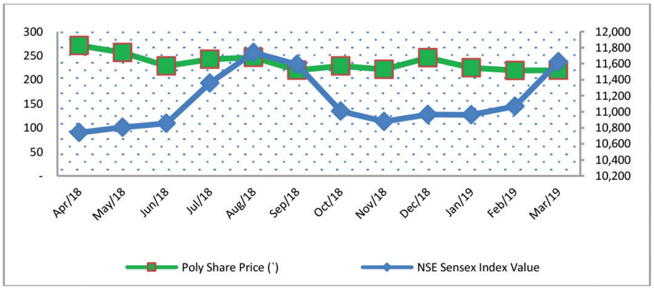
Name of the Stock Exchange(s)	Stock Code
Bombay Stock Exchange Limited	531768
National Stock Exchange of India Limited	POLYMED

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

Month	BSE (In ₹)		NSE (In ₹)	
	High Price	Low Price	High Price	Low Prices
Apr-18	298.10	249.00	300.00	246.25
May-18	262.90	222.10	264.50	226.50
Jun-18	243.95	180.50	234.90	176.10
Jul-18	243.05	201.40	247.00	201.70
Aug-18	258.30	208.05	258.40	210.00
Sep-18	226.80	205.65	225.00	201.50
Oct-18	239.00	204.00	250.45	203.10
Nov-18	225.00	207.70	225.20	208.00
Dec-18	250.50	213.00	252.85	213.40
Jan-19	237.95	211.05	229.75	211.40
Feb-19	228.00	202.00	225.45	200.45
Mar-19	220.70	176.25	223.60	204.30

(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, 2019

Nominal value of each Share ₹ 5 each.

No of share holders	% to Total	Shareholding of nominal value of (in ₹)	No of Shares	% to Total
4566	87.774	1 to 5000	639366	0.725
236	4.266	5001 to 10000	330612	0.375
168	3.037	10001 to 20000	407719	0.462
70	1.265	20001 to 30000	335484	0.380
69	1.247	30001 to 40000	441622	0.501
19	0.343	40001 to 50000	180772	0.205
62	1.121	50001 to 100000	835339	0.947
82	**1.482**	**100001 and above**	**85055966**	**95.406**
5,274	**100.00**	**Total**	**88236930**	**100.00**

Particulars	No.	No. of shares	% age
(A) Shareholding of Promoter and Promoter group			
1. Indian	16	4,27,91,352	48.49
2. Foreign	2	2,27,200	0.26
Total Shareholdings of Promoter and Promoter Group	18	4,30,18,552	48.75
(B) Public Shareholding			
1. Institution	14	4478197	5.08
2. Non Institution	5,242	40740181	46.17
Total Public Shareholding	5,256	4,52,18,378	51.25
(C) Shares held by custodian and against which Depository Receipts have been issued			
1. Promoter and Promoter Group	0	0	0
2. Public	0	0	0
Total (A)+(B)+(C)	**5,274**	**8,82,36,930**	**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, 2018 to 31st March, 2019. The declaration received from Shri Himanshu Baid, Managing Director, in this regard is also given in this report.

New Delhi	D. R. Mehta	Himanshu Baid
12th August, 2019	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, 2019 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, 2019, 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	J. K. Oswal
12th August, 2019	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
12th August, 2019	CEO/Managing Director

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, 2019, 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, 2019, 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 judgement, 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 Auditor's 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.

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, 2019 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 judgements 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 judgement and maintain professionals kepticism 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 reasonable ness 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 event s 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 Doogar & Associates
Chartered Accountants
Firm's registration number: 000561N

(M S Agarwal)
Partner
Membership number: 086580

Place: New Delhi
Date: 10th May 2019

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 2019 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 judgement, 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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(M S Agarwal)
Partner
Membership number: 086580
Place: New Delhi
Date: 10th May 2019

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 2019, we report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) According to the information and explanation given to us and on the basis of our examination of the records of the company, physical verification of the inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in nature have been properly dealt with in the books of accounts.

(iii) According to the information and explanation given to us, during the year the company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(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 2019 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 except following:

Nature of Statue	**Nature of Dues**	**Amount (₹ In Lacs)**	**Period to which amount relates**	**Forum where dispute is pending**
Central Excise Act 1944	Excise Duty	55.84	2007-08 to 2011-12	CESTAT, New Delhi

(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 give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

(M S Agarwal)
Partner
Membership number: 086580

Place: New Delhi
Date: 10th May 2019

Poly Medicure Limited

Standalone Balance Sheet as at March 31, 2019

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	25,506.56	24,293.76
(b) Capital work-in-progress		929.20	966.39
(c) Investment Properties	3	352.07	348.98
(d) Intangible assets	2	1,347.44	1,315.03
(e) Intangible assets under development		923.70	858.15
(f) Financial Assets			
(i) Investment in subsidiaries/associates	4	3,978.85	561.06
(ii) Other Investments	5	224.04	209.02
(iii) Other financial assets	7	1,124.54	672.66
(g) Other non-current assets	8	796.46	1,257.39
Total non-current assets		**35,182.86**	**30,482.44**
2 Current assets			
(a) Inventories	9	7,411.71	6,855.09
(b) Financial assets			
(i) Investments	5	26.76	1,061.81
(ii) Trade receivables	10	12,414.02	11,189.36
(iii) Cash and cash equivalents	11	291.14	367.90
(iv) Bank balances other than (iii) above	12	5,027.60	1,668.60
(v) Loans	6	22.78	15.76
(vi) Other financial assets	7	517.82	114.73
(c) Other current assets	8	2,420.54	3,708.05
Total current assets		**28,132.37**	**24,981.30**
TOTAL ASSETS		**63,315.23**	**55,463.74**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	4,411.85	4,411.34
(b) Other equity	14	33,566.14	29,039.90
Equity attributable to shareholders of the company		**37,977.99**	**33,451.24**
Total equity		**37,977.99**	**33,451.24**

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	9,137.97	7,911.58
(ii) Other financial liabilities	16	387.60	497.55
(b) Provisions	17	248.32	210.24
(c) Government Grants		194.00	203.47
(d) Deferred tax liabilities (Net)	18	1,866.31	1,572.01
Total non-current liabilities		**11,834.20**	**10,394.85**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,512.43	2,673.22
(ii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		171.97	134.38
b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,787.65	4,186.18
(iii) Other financial liabilities	21	4,021.44	3,825.10
(b) Other current liabilities	22	673.17	765.88
(c) Provisions	17	34.42	32.89
(d) Current tax liabilities (net)	23	301.96	-
Total current liabilities		**13,503.04**	**11,617.65**
TOTAL LIABILITIES		**63,315.23**	**55,463.74**
Significant accounting policies	a-aa		
The accompanying notes are integral part of the Standalone financial statements	1 - 48		

As per our report of even date annexed
For DOOGAR & ASSOCIATES (Reg No.000561N)
Chartered Accountants
M. S. Agarwal
Partner
Membership No. 86580

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Place : New Delhi
Date : 10.05.2019

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited

Standalone Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
INCOME			
Revenue from operations	24	58,669.05	50,969.93
Other income	25	1,583.98	1,436.95
Total Revenue		**60,253.03**	**52,406.88**
EXPENSES			
Cost of materials consumed	26	18,521.50	16,713.93
Purchases of Stock-in-Trade		1,454.41	437.26
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(410.68)	(994.03)
Excise duty on sale of goods		-	126.10
Employee benefits expense	28	10,976.95	9,392.66
Research and development expenses	29	1,014.90	1,004.78
Finance cost	30	1,129.36	949.51
Depreciation and amortization expense	31	3,636.39	2,840.66
Other expenses	32	13,881.02	12,300.42
Total Expenses		**50,203.85**	**42,771.29**
Profit before tax		**10,049.18**	**9,635.59**
Tax expenses:			
(1) Current tax		3,038.82	2,536.55
(2) Deferred tax		293.27	79.21
(3) Tax adjustment for earlier years (net)		88.70	-
Total tax expenses	**33**	**3,420.79**	**2,615.76**
Profit after tax		**6,628.39**	**7,019.83**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Acturial gains/(losses) of defined benefit plan		2.91	40.77
Tax impacts on above		(1.02)	(14.11)
Other comprehensive income for the year (net of tax)		**1.89**	**26.66**
Total comprehensive income (Comprising profit after tax and other comprehensive inome/(loss) for the year)		**6,630.28**	**7,046.49**
Earnings per equity share: (Face value ₹ 5 each) in rupees	39		
Basic		**7.51**	7.96
Diluted		**7.51**	7.95
Significant accounting policies	a-aa		
The accompanying notes are integral part of the standalone financial statements	1 - 48		

As per our report of even date annexed
For DOOGAR & ASSOCIATES (Reg No.000561N)
Chartered Accountants
M. S. Agarwal
Partner
Membership No. 86580

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Place : New Delhi
Date : 10.05.2019

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

POLYMED MEDICAL DEVICES
We Care As We Cure

Poly Medicure Limited

Standalone Statement of Cash Flow for the year ended 31 March 2019

(₹ in Lacs)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax and exceptional items	10,049.18	9,635.59
	Adjusted for:		
	Depreciation and amortisation	3,636.39	2,840.66
	Interest expense	1,129.36	949.51
	Dividend Income	(155.31)	-
	Interest income	(349.40)	(199.19)
	Loss/(profit) on sale of fixed assets, net	(78.40)	(4.12)
	Debts/advances written off	5.56	0.68
	Provision for doubtful debts and advances	(14.55)	85.36
	Credit balances no longer required, written back	(139.03)	(6.19)
	Deferred employee compensation expenses (net)	18.69	18.01
	Unrealised foreign exchange (gain) /loss	197.59	(135.12)
	Other Comprehensive Income	2.91	40.77
	Ind As Adjustment for Unrealised Gain on Mutual Fund	(16.70)	(43.39)
	Ind As Adjustment on Govt. Grant & Subsidy	(80.55)	(53.95)
	Ind As Adjustment for Interest Income on Financial Assets	(3.43)	(2.95)
	Ind As Adjustment on Forward Contracts (Net)	(157.08)	282.44
	Ind As Adjustment for Deferred Processing fees	15.34	5.71
	Ind As Adjustment for Interest on Security Deposit against Rent	3.88	-
	Operating profit before working capital changes	**14,064.45**	**13,413.82**
	Movement in working capital		
	Decrease/(increase) in inventories	(556.62)	(1,064.26)
	Decrease/ (increase) in sundry debtors	(1,490.68)	(1,476.66)
	Decrease/(Increase) in financial assets	(75.52)	(22.23)
	Decrease/(Increase) in other assets	1,279.85	(1,674.72)
	Increase/ (decrease) in trade payables	801.98	211.62
	Increase/ (decrease) in other financial liabilities	6.03	227.29
	Increase/ (decrease) in other liabilities	(92.71)	372.81
	Increase/ (decrease) in provisions	39.61	(124.25)
	Cash generated from operations	**13,976.39**	**9,863.42**
	Direct taxes paid (net of refunds)	(2,748.48)	(2,313.53)
	Net cash from operating activities	**11,227.91**	**7,549.90**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(4,768.35)	(8,149.60)
	Purchase of Investments (net)	(2,381.06)	(1,227.44)
	Proceeds from / (Investment in) Fixed Deposits (net)	(3,829.72)	398.02
	Proceeds from sale of fixed assets	241.07	24.56
	Dividend Income	155.31	-
	Interest income	193.86	247.41
	Net cash used for investing activities	**(10,388.89)**	**(8,707.05)**

(₹ in Lacs)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings / deferred payment liabilities (net)	2,339.48	2,922.94
	Proceeds from Share Allotments	5.03	-
	Dividend and tax thereon Paid	(2,119.26)	(530.93)
	Interest / Finance charges paid	(1,141.03)	(943.82)
	Net cash from (used for) financing activities	**(915.78)**	**1,448.19**
	Net increase in cash and cash equivalents (A+B+C)	**(76.79)**	**291.03**
	Cash and cash equivalents at the beginning of the year	**367.90**	**76.87**
	Cash and cash equivalents at the end of the year	**291.14**	**367.90**
	COMPONENTS OF CASH AND CASH EQUIVALENTS		
	Balances with Banks in current account	277.80	302.31
	Cheques, drafts on hand	0.29	3.54
	Cash on hand (including foreign currency notes)	12.91	10.47
	Fixed deposits with banks, having original maturity of three months or less	0.14	51.58
	Cash and cash equivalents at the end of the year	**291.14**	**367.90**

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents at the end of the year as per above	**291.14**	**367.90**
Add: Balance with banks in dividend / unclaimed dividend accounts	22.55	14.56
Add: Fixed deposits with banks, having maturity period for less than twelve months	5,005.05	1,654.04
Add: Fixed deposits with banks (lien marked)	791.78	391.17
Add: Fixed deposits with banks, having maturity period for more than twelve months	194.11	124.01
Cash and bank balances as per balance sheet (refer note 7, 11 and 12)	**6,304.63**	**2,551.68**

DISCLOSURE AS REQUIRED BY IND AS 7

Reconciliation of liabilities arising from financing activities

March 31, 2019	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	**4,824.37**	1,098.45	(23.55)	**5,899.27**
Long term secured borrowing	**7,911.58**	1,241.03	(14.64)	**9,137.97**
Total liabilities from financing activities	**12,735.95**	**2,339.48**	**(38.19)**	**15,037.24**

March 31, 2018	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	**4,931.06**	(66.07)	(40.62)	**4,824.37**
Long term secured borrowing	**4,762.47**	2,989.01	160.10	**7,911.58**
Total liabilities from financing activities	**9,693.53**	**2,922.94**	**119.48**	**12,735.95**

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

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

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Place : New Delhi
Date : 10.05.2019

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March 2019

A. Equity share capital

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
At the beginning of the year	4,411.34	4,411.34
Changes in equity share capital during the year	0.51	-
At the end of the year	**4,411.85**	**4,411.34**

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 2017	**46.98**	**-**	**23.60**	**11,134.83**	**11,314.24**	**(13.32)**	**22,506.33**
Profit for the year					7,019.83		7,019.83
Other comprehensive income (net of taxes)						26.66	26.66
Transfer from retained earnings to General reserve				2,500.00	(2,500.00)		-
Addition on account of employees stock option granted			18.01				18.01
Final Dividend / Dividend tax adjusted					(530.93)		(530.93)
Balance as at 31 March 2018	**46.98**	**-**	**41.61**	**13,634.83**	**15,303.14**	**13.34**	**29,039.90**
Balance as at 1 April 2018	**46.98**	**-**	**41.61**	**13,634.83**	**15,303.14**	**13.34**	**29,039.90**
Profit for the year					6,628.39		6,628.39
Securities Premium received during the year		34.67					34.67
Other comprehensive income (net of taxes)						1.89	1.89
Transfer from retained earnings to General reserve				2,500.00	(2,500.00)		-
Addition/(deduction) during the year (Net of Lapses)			(11.46)				(11.46)
Final Dividend / Dividend tax adjusted					(2,127.25)		(2,127.25)
Balance as at 31 March 2019	**46.98**	**34.67**	**30.15**	**16,134.83**	**17,304.28**	**15.23**	**33,566.14**

Note:
General Reserves have been created by transfer out of profit generated by the company and is available for distribution to shareholders.

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 01.04.2017	**1,667.14**	**862.18**	**2,911.80**	**24,380.61**	**382.29**	**526.36**	**907.82**	**31,638.20**	**730.44**	**978.53**	**1,708.97**	**33,347.17**
Additions during the year	-	-	2,313.88	5,743.83	29.41	67.78	86.60	8,241.50	55.93	212.37	268.30	8,509.80
Deductions/Adjustments	78.36	-	-	35.51	-	0.34	14.06	128.27	-	-	-	128.27
Gross Carrying Value as on 31.03.2018	**1,588.78**	**862.18**	**5,225.68**	**30,088.93**	**411.70**	**593.80**	**980.36**	**39,751.43**	**786.37**	**1,190.90**	**1,977.27**	**41,728.70**
Accumulated Depreciation as on 01.04.2017	**-**	**41.21**	**774.66**	**11,131.42**	**195.98**	**317.92**	**356.04**	**12,817.23**	**194.50**	**286.32**	**480.82**	**13,298.05**
Depreciation for the year	-	9.28	104.46	2,319.39	31.03	74.98	115.94	2,655.08	89.80	91.62	181.42	2,836.50
Deductions/Adjustments	-	-	-	2.75	-	0.01	11.88	14.64	-	-	-	14.64
Accumulated Depreciation as on 31.03.2018	**-**	**50.49**	**879.12**	**13,448.06**	**227.01**	**392.89**	**460.10**	**15,457.67**	**284.30**	**377.94**	**662.24**	**16,119.91**
Carrying Value as on 31.03.2018	**1,588.78**	**811.69**	**4,346.56**	**16,640.87**	**184.69**	**200.91**	**520.26**	**24,293.76**	**502.07**	**812.96**	**1,315.03**	**25,608.79**
Gross Carrying Value as on 01.04.2018	**1,588.78**	**862.18**	**5,225.68**	**30,088.93**	**411.70**	**593.80**	**980.36**	**39,751.43**	**786.37**	**1,190.90**	**1,977.27**	**41,728.70**
Additions during the year	1.96	-	555.98	3,985.90	50.73	110.84	161.06	4,866.47	34.82	184.36	219.18	5,085.65
Deductions/Adjustments	-	-	-	483.67	-	-	240.51	724.18	-	-	-	724.18
Gross Carrying Value as on 31.03.2019	**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**
Accumulated Depreciation as on 01.04.2018	**-**	**50.49**	**879.12**	**13,448.06**	**227.01**	**392.89**	**460.10**	**15,457.67**	**284.30**	**377.94**	**662.24**	**16,119.91**
Depreciation for the year	-	9.28	174.44	3,032.25	33.39	81.72	112.55	3,443.63	84.62	102.15	186.77	3,630.40
Deductions/Adjustments	-	-	-	313.92	-	-	200.22	514.14	-	-	-	514.14
Accumulated Depreciation as on 31.03.2019	**-**	**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**
Carrying Value as on 31.03.2019	1,590.74	802.41	4,728.10	17,424.77	202.03	230.03	528.48	25,506.56	452.27	895.17	1,347.44	26,854.00

2.1 Additions during the year includes Fixed Assets for Research and Development

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total Tangible	Software	Patent & Trade Marks	Total Intangible	Net Assets
Additions during the year	-	-	10.26	12.04	-	-	-	22.30	-	-	-	22.30
Depreciation for the year	-	-	13.88	52.53	1.17	0.28	-	67.86	12.66	-	12.66	80.51

2.2 Borrowing cost of ₹ Nil lacs (previous year ₹ 145.55 Lacs) have been included in additions to Fixed Assets.

2.3 The estimated amortisation in intangible assets for the year subsequent to 31st March 2019 is as follows:

(₹ in Lacs)

Year Ending March 31	Amortisation Expense
2020	172.71
2021	160.71
2022	151.60
2023	148.60
Thereafter	713.82

3. Notes on Standalone Financial Statement for the Year ended March 31, 2019

(₹ in Lacs)

INVESTMENT PROPERTIES	As at 31 March 2019	As at 31 March 2018
Gross balance at beginning	363.65	74.52
Additions during the year	9.09	289.13
Disposals / Deductions	-	-
Depreciation for the year	6.00	4.16
Accumulated Depreciation	(20.67)	(14.67)
Net balance at the end of reporting period	**352.07**	**348.98**
Fair Value	**341.51**	**336.53**

Amount recognised in Statement of Profit & Loss for Investment Properties	Year ended 31 March 2019	Year ended 31 March 2018
Rental Income	**8.91**	**6.07**

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 two (PY three) Investment properties valued at ₹ 241.17 Lacs (PY ₹ 289.13 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, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
(valued at cost unless stated otherwise)				
Unquoted equity instruments - fully paid				
Investment in subsidiaries				
U.S.Safety Syringes Co. LLC, USA USD 300,000 (previous year USD 300,000) Membership Interest	-	130.33	-	-
Less: Provision for diminution in value of investment	-	(130.33)	-	-
Poly Medicure (Laiyang) Co. Ltd.China USD 1,100,000 (previous year USD 1,100,000) Membership Interest	472.39	472.39	-	-
Poly Medicure B.V. Netherlands 12,30,000 Shares @ Euro 1 each	3,417.79	-	-	-
Investment in associates				
73,600 (previous Year 59,800) 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	**3,978.85**	**561.06**	**-**	**-**
Aggregate amount of Unquoted Investment	3,978.85	691.39	-	-
Aggregate provision for diminuation in the value of Investment	-	130.33	-	-
Category wise summary:				
Financial assets measured at amortised cost (net of provision)	3,978.85	561.06	-	-
Financial assets measured at fair value through profit and loss	-	-	-	-

Movement in provision for dimunition in value of investment	As at 31 March, 2019	As at 31 March, 2018
Balance at the beginning of the year	130.33	130.33
Movement in the amount of provision (Net)	(130.33)	-
Balance at the end of the year	-	130.33

5. OTHER INVESTMENT

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Investment measured at fair value through profit and loss				
Unquoted				
In Fixed Maturity Plans				
UTI FITF Series XXVII - II (1161 DAYS)	224.04	209.02	-	-
In Liquid Mutual Funds				
HDFC Corporate Debt Opportunities Fund	-	-	-	103.15
ICICI Prudential Regular Saving Fund -	-	-	-	207.29
SBI Corporate Bond Fund - Reg - Gr	-	-	-	206.79
Birla Sun Life Corporate Bond Fund-GR.R	-	-	-	207.86
Kotak Income Opp.Fund-Growth Regular Pl	-	-	-	207.73
ICICI Prudential Balance Advantage Fund- Gr	-	-	26.76	25.08
UTI Income Opportunities Fund- Growth P	-	-	-	103.91
Total	**224.04**	**209.02**	**26.76**	**1,061.81**
Aggregate amount of Unquoted Investment	**224.04**	**209.02**	**26.76**	**1,061.81**
Aggregate provision for diminuation 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	224.04	209.02	26.76	1,061.81

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, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Considered good- Unsecured:				
Loans and advances to employees	-	-	22.14	14.52
Others	-	-	0.64	1.24
Total	**-**	**-**	**22.78**	**15.76**

7. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
(Unsecured, considered good, unless stated otherwise)				
Security Deposits				
Considered good	113.12	135.90	151.39	58.59
Considered doubtful	-	-	9.78	12.82
Less: Provision for doubtful deposits	-	-	(9.78)	(12.82)
Interest accrued on bank deposits / Advances	25.53	21.58	189.13	37.54
Dividend / Governing council share from associates	-	-	37.78	7.36
Gain on outstanding forward contracts reveivable	-	-	112.07	-
Other receivable #	-	-	27.45	11.24
Non-current bank balances (refer note 12)	985.89	515.18	-	-
Total	**1,124.54**	**672.66**	**517.82**	**114.73**

Includes ₹ 2.33 lacs (₹ 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 2019	As at 31 March 2018
Balance at the beginning of the year	12.82	7.09
Movement in the amount of provision (Net)	(3.04)	5.73
Balalnce at the end of the year	9.78	12.82

8. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
(Unsecured, considered good, unless stated otherwise)				
Capital Advances				
Considered Good	761.53	1,149.45	-	-
Considered Doubtful	77.08	77.08	-	-
Less: Provision for doubtful advances	(77.08)	(77.08)	-	-
Other loans and advances				
Advance for goods / services				
Considered Good	-	-	203.43	355.25
Considered Doubtful	-	-	-	7.71
Less: Provision for doubtful advances	-	-	-	(7.71)
Balance with revenue authorities	-	-	498.13	1,216.24
Advance tax/ tax deducted at source (net of provision)	7.13	84.21	-	-
Prepaid Expenses	27.80	23.73	102.94	116.79
GST, Excise Duty, Service tax and VAT refundable	-	-	551.82	983.86
Export benefits receivable	-	-	1,064.22	1,035.91
Total	**796.46**	**1,257.39**	**2,420.54**	**3,708.05**

8.1 Movement in provison for doubtful advances

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	84.79	7.71
Movement in amount of provision (Net)	(7.71)	77.08
Balance at the end of the year	77.08	84.79

9. INVENTORIES

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(Valued at lower of cost and net realisable value)		
Raw Materials including packing materials	3,332.14	3,538.43
Goods-in transit	819.35	436.97
Work-in-progress	2,120.52	1,572.60
Finished Goods	672.70	859.71
Stock-in-trade	71.42	21.66
Stores and spares	395.58	425.72
Total	**7,411.71**	**6,855.09**

Amount recognised in statement of profit and loss

Provision on account of slow/non-moving inventory resulting in write down of inventory to net realisable value amounts to ₹ 80.14 Lacs (Previous year ₹ 88.66 Lacs). These were recognised as an expenses forming part of cost of material consumed during the year in the statement of profit and loss.

10. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Considered good- Unsecured	12,414.02	11,189.36
Credit Impaired	29.84	33.64
Less: Provision for Credit Impaired	(29.84)	(33.64)
Total	**12,414.02**	**11,189.36**

(₹ in Lacs)

Particulars	Outstanding As at end of		Maximum balance outstanding during the period ended	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
Trade receivable includes:				
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	71.05	65.01	805.78	959.07
Due from Plan 1 Health SRL, Italy, being step-subsidiary	0.95	-	0.95	-
Due from Ultra For Medical Products (UMIC), being associate company	623.61	567.76	738.37	821.69

(₹ in Lacs)

Movement in the provision for doubtful debts	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	33.64	31.09
Movement in amount of provision (net)	(3.80)	2.55
Balance at the end of the year	29.84	33.64

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 2019	As at 31 March 2018
Balances with Banks		
In current accounts	277.80	302.31
In deposit accounts, with less than 3 months maturity period	0.14	51.58
Cash on hand (including foreign currency notes)	12.91	10.47
Cheque in hand	0.29	3.54
Total	**291.14**	**367.90**

There are no repratriation restrictions with regard to cash & cash equivalents as at the end of reporting period and prior periods.

12. OTHER BANK BALANCES

(₹ in Lacs)

Particulars	Non-current		current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Unclaimed dividend accounts	-	-	22.55	14.56
Held as margin money	791.78	391.17	-	-
Deposits with more than 3 months but less than 12 months maturity period	-	-	5,005.05	1,654.04
Deposits with more than 12 months maturity period	194.11	124.01	-	-
Amount disclosed under the head “other Non Current Financial Assets” (Refer note 7)	(985.89)	(515.18)	-	-
Total	**-**	**-**	**5,027.60**	**1,668.60**

13. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised share Capital				
Equity Shares of ₹ 5 each	120000000	6,000.00	120000000	6,000.00
Issued, subscribed & paid up shares				
Equity Shares of ₹ 5 each fully paid up	88236930	4,411.85	88226880	4,411.34
Total	**88236930**	**4,411.85**	**88226880**	**4,411.34**

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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	**₹ in Lacs**	**No. of Shares**	**₹ in Lacs**
At the beginning of the year	88226880	4,411.34	88226880	4,411.34
Add: Issued during the year by way of ESOP	10050	0.51	-	-
Outstanding at the end of year	88236930	**4,411.85**	88226880	**4,411.34**

13.2 Terms/rights attached to equity shares

"The company has only one class of equity shares having a par value of ₹ 5 (₹ 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, 2019		As at 31 March, 2018	
	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	12361320	14.01%	12361320	14.01%
Mr. Rishi Baid	9993048	11.33%	9826048	11.14%
M/s Zetta Matrix Consulting LLP	8319660	9.43%	8319660	9.43%
Mr. Himanshu Baid	7907624	8.96%	8074624	9.15%

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 The Board of Directors of the company in their meeting held on 10th May 2019 have proposed a final dividend of ₹ 2/- per equity share (40%) for the financial year ended 31st March 2019. The proposed dividend is subject to the approval of shareholders at the ensuing Annual General Meeting and upon approval would result in cash outflow of ₹ 2127.57 lacs (including dividend distribution tax of ₹ 362.83 Lacs)

13.5 Shares allotted for consideration other than cash during the period of five years immediately preceding financial year

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

The Company had alloted 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 2019	As at 31 March 2018
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	-	-
Received during the year	34.67	-
Closing Balance	**34.67**	**-**
Share Based Payment Reserve Account		
Balance at the beginning of the year	41.61	23.60
Addition/(deletion)during the year (Net of Lapses)	(11.46)	18.01
Closing Balance	**30.15**	**41.61**
General Reserve		
Balance at the beginning of the year	13,634.83	11,134.83
Add: Transferred from Surplus in Statement of Profit and Loss	2,500.00	2,500.00
Closing Balance	**16,134.83**	**13,634.83**
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	15,303.14	11,314.24
Add: Additions during the year	6,628.39	7,019.83
Less: Dividend adjusted for previous year	(1,764.54)	(441.13)
Less: Dividend tax adjusted for previous year	(362.71)	(89.80)
Less: Transferred to General Reserve	(2,500.00)	(2,500.00)
Closing Balance	**17,304.28**	**15,303.14**
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	13.34	(13.32)
Add: Addition during the year	1.89	26.66
Closing Balance	**15.23**	**13.34**
Grand Total	**33,566.14**	**29,039.90**

15. BORROWINGS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Secured - At Amortised Cost				
(i) Term loans				
from banks	9,117.61	7,753.21	2,333.82	2,049.77
(ii) Others - Vehicle Loan				
from banks	20.36	36.46	16.11	14.67
from others	-	46.51	36.91	47.15
(iii) Deferred payment liabilities	-	75.40	-	39.56
Amount disclosed under the head “other current financial liabilities” (note 21)	-	-	2,386.84	2,151.15
Total	**9,137.97**	**7,911.58**	**-**	**-**

15.1 Term loan comprises the following:

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
From Bank				
Rupee Loan #	5,015.64	5,859.84	1,034.70	1,600.39
Foreign Currency Loan##	4,101.97	1,893.37	1,299.12	449.38

net off of ₹ 6.67 Lacs (PY ₹ 12.19 lacs) as finance charge.
net off of ₹ 27.88 Lacs (PY Nil) as finance charge.

15.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Installments	Outstanding as at 31.03.2019	Annual repayment schedule			
				2019-20	2020-21	2021-22	2022-23 & 2023-24
Rupee Loan #	9.09%	Qtr / Mon.	6,057.01	1,038.65	1,849.33	1,617.03	1,552.00
Foreign Currency Loan ##	2.43%	Qtr	4,958.60	1,176.00	1,305.03	1,305.04	1,172.53
Buyers credit	0.45%	Qtr	470.36	134.39	335.97	-	-
Others - Vehicle Loan	10.31%	Monthly	73.37	53.01	17.68	2.68	-

includes ₹ 6.67 Lacs as prepaid finance charge
includes ₹ 27.88 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 / plant & machinery of the company (present & future) and equitable mortgage of factory land & buildings (except fixed assets including land and building located at plot no. 80 & 81, Sector 59, Faridabad (Haryana), Plot no. 34, Sector 68, IMT, Faridabad (Haryana) and Land located at Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan)) and second pari passu charge on entire current assets of the company.

b Term loan from Citi Bank N.A. is secured by first charge on immovable property and movable fixed assets located at plot No. 80 and 81, Sector 59, Faridabad (Haryana) and second pari passu charge on entire current assets of the company.

c Term loan from The Hongkong and Shanghai Banking Corporation Limited is secured by first charge on entire fixed assets including plant & machinery and equitable mortgage of land and building located at plot no. 34, Sector 68, IMT Faridabad (Haryana) and second pari passu charge on entire current assets of the company.

d Foreign Currency Loan (ECB) from HSBC bank (Mauritius) Ltd. is secured by first pari passu charge on entire fixed assets of the company, including land, building and all other fixed assets i.e. Plant & Machinery, Office Equipment and Furniture & Fixtures (Present & Future), (except fixed assets including land and building located at plot no. 80 & 81, Sector 59, Faridabad (Haryana), Plot no. 34, Sector 68, IMT, Faridabad (Haryana) and Land located at Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan)) and second pari passu charge on stock and receivables of the company.

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

f Deferred payment liabilities represents assets acquired on deferred credit terms.

16. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Security Deposit from Agent/ Others	387.60	497.55
Total	**387.60**	**497.55**

17. PROVISIONS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Provision for employee benefits				
Gratuity	142.26	111.09	21.77	19.97
Leave Encashment	106.06	99.15	12.65	12.92
Total	**248.32**	**210.24**	**34.42**	**32.89**

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	Balance as at April 1 2018	Recognised in profit & loss	As at 31 March, 2019			
			Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,700.88	**297.14**	**-**	**1,998.02**	**1,998.02**	**-**
Provision for defined benefit plan - P&L	(44.84)	**(10.28)**	**-**	**(55.12)**	**-**	**(55.12)**
Provision for defined benefit plan - OCI	7.06	**-**	**1.02**	**8.08**	**8.08**	**-**
Provision for Bonus	(45.22)	**1.33**	**-**	**(43.89)**	**-**	**(43.89)**
Provision for doubtful debts and advances	(45.86)	**5.08**	**-**	**(40.78)**	**-**	**(40.78)**
Deferred Tax (Assets) / Liabilities	**1,572.02**	**293.27**	**1.02**	**1,866.31**	**2,006.10**	**(139.79)**

Particulars	Balance as at April 1 2017	Recognised in profit & loss	As at 31 March, 2018			
			Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,592.94	107.94	-	1,700.88	1,700.88	-
Provision for defined benefit plan - P&L	(68.17)	23.33	-	(44.84)	-	(44.84)
Provision for defined benefit plan - OCI	(7.05)	-	14.11	7.06	7.06	-
Provision for Bonus	(28.21)	(17.01)	-	(45.22)	-	(45.22)
Provision for doubtful debts and advances	(15.88)	(29.99)	-	(45.87)	-	(45.87)
Others	5.07	(5.07)	-	-	-	-
Deferred Tax (Assets) / Liabilities	**1,478.70**	**79.21**	**14.11**	**1,572.01**	**1,707.94**	**(135.93)**

18.1 Movement on the deferred tax account is as follows:

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	1,572.01	1,478.70
(Credit)/ Charge to the statement of profit and loss	293.29	79.21
(Credit)/ Charge to other comprehensive income	1.02	14.11
Balance at the end of the year	**1,866.31**	**1,572.01**

19. BORROWINGS - CURRENT

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Secured - from banks		
Cash / Export Credit Loan	3,512.43	2,673.22
Total	**3,512.43**	**2,673.22**

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 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises:	171.97	134.38
Total outstanding dues of trade payables and acceptances other than above	4,787.65	4,186.18
	4,959.62	**4,320.56**

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 2019	As at 31 March 2018
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	171.97	131.82
	- Interest due	-	2.56
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 2019	As at 31 March 2018
Current maturities of long-term borrowings (Refer note no. 15)	2,386.84	2,151.15
Interest accrued but not due on borrowings	6.40	2.01
Interest accrued and due on borrowings / Security deposits	33.50	49.56
Unpaid dividends	22.55	14.56
Other payables		
Employees related liabilities	1,459.75	1,298.76
Liability on account of outstanding forward contracts	-	45.01
Payables for capital goods	71.90	223.55
Others	40.50	40.50
Total	**4,021.44**	**3,825.10**

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 2019	As at 31 March 2018
Advance from customers	276.20	388.59
Other payables		
Statutory dues	396.34	368.48
Others	0.63	8.81
Total	**673.17**	**765.88**

23. CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Tax (Net of Prepaid Tax of ₹ 2,741.05 Lacs)	301.96	-
Total	**301.96**	**-**

24. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products		
Manufactured goods	55,990.62	49,195.47
Traded Goods	774.40	467.83
Other operating revenues		
Export Incentives	1,665.22	1,198.89
Sale of scrap	157.47	107.74
Others	81.34	-
Total	**58,669.05**	**50,969.93**

The Disclosures as required by Ind-AS 115 are as under :

(₹ in Lacs)

Particulars	Year ended March 31, 2019
The Company disaggregates revenue based on nature of products/geography as under :	
Revenue based on Geography	
Sales	
Domestic	16,397.89
Export	40,367.13
Other operating revenue	
Domestic-Export incentives and Scarp	1,822.69
Exports	81.34
	58,669.05
Revenue based on Nature of Products	
Medical Devices	56,765.02
Export incentives	1,665.22
Scrap	157.47
Development Charges	81.34
	58,669.05

Reconciliation of Revenue	Year ended March 31, 2019
Gross value of contract price	57,098.21
Less : Variable components i.e.,Rebate & discount	333.19
Other operating revenue	1,904.03
Revenue from operations as recognised in financial statement	**58,669.05**

Reconciliation of Advance received from Customers-Contract Liabilities	Year ended March 31, 2019
Balance at the beginning of the year	388.59
Less : Revenue recognised out of balance of advance received from customer at beginning of year	371.11
Add : Advance received during the year from customers for which performance obligation is not satisfied and shall be recognised as revenue in next year	258.72
Balance as at the end of the year	**276.20**

The Company have orders in hand as at 31st March 2019 for ₹ 3022.28 lacs, for which performance obligation amounting to ₹ 3022.28 lacs will be recognised as revenue during the next reporting year.

25. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest Income/ Dividend Income		
Interest Income on Fixed and other Deposits	349.40	150.76
Interest Income on Income Tax Refund	-	48.43
Interest Income from Financial Assets Measured at Amortised Cost	3.43	2.95
Dividend/ Governing Council Share	155.31	-

Other non-operating income		
Rental Income from Investment Property	8.91	6.07
Government Grants and Subsidies	80.55	53.95
Income from Mutual Funds	25.76	-
Miscellaneous Income	47.38	78.49
Other Gain		
Provisions / Liabilities no longer required written back (net)	153.58	6.19
Gain on fixed assets sold/discarded	78.40	4.12
Gain on Foreign Exchange Fluctuation (net)	664.56	1,042.60
"Unrealised gain on valuation of mutual funds measured at fair value through profit or loss"	16.70	43.39
Total	**1,583.98**	**1,436.95**

26. COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Raw Material Consumed		
Inventory at the beginning of the year	2,771.89	2,913.94
Add: Purchases during the year	14,073.59	12,530.51
Less: Inventory at the end of the year	2,704.62	2,771.89
Cost of raw material consumed (A)	**14,140.86**	**12,672.56**
Packing Material Consumed		
Inventory at the beginning of the year	766.54	709.10
Add: Purchases during the year	4,241.62	4,098.81
Less: Inventory at the end of the year	627.52	766.54
Cost of packing material consumed (B)	**4,380.64**	**4,041.37**
Total (A+B)	**18,521.50**	**16,713.93**

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

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018	(Increase)/ Decrease
Inventories at the end of year			
Finished Goods and Stock in Trade	744.13	881.37	137.24
Work in progress	2,120.52	1,572.60	(547.92)
	2,864.65	**2,453.97**	**(410.68)**
Inventories at the beginning of year			
Finished Goods and Stock in Trade	881.37	573.50	(307.87)
Work in progress	1,572.60	886.44	(686.16)
	2,453.97	**1,459.94**	**(994.03)**

28. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	10,156.29	8,581.72
Contributions to Provident Fund and others	687.35	668.87
Share based payment to employees	18.69	18.01
Staff Welfare Expenses	114.62	124.06
Total	**10,976.95**	**9,392.66**

29. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	681.80	641.09
Employee benefits expenses	274.94	313.55
Power and Fuel	44.76	32.88
Travelling & Conveyance	3.89	8.50
Other Misc Expenses	9.51	8.76
Total Revenue Expenses	**1,014.90**	**1,004.78**
Capital Expenditure	**22.30**	**240.64**
Total amount spent on Research and Development	**1,037.20**	**1,245.42**

30. FINANCE COST

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense		
Interest on loans	1,125.68	872.18
Interest on Income Tax	7.17	3.39
Exchange difference to the extent considered as an adjustment to interest costs	(21.37)	58.00
Others		
Other amortised borrowing costs	17.88	15.94
Total	**1,129.36**	**949.51**

31. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of tangible assets	3,443.63	2,655.08
Amortisation of intangible assets	186.76	181.42
Depreciation of investment properties	6.00	4.16
	3,636.39	**2,840.66**

32. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spare parts	1,428.84	1,154.56
Power and Fuel	2,395.63	1,844.78
Job Work Charges	4,784.70	4,867.92
Other Manufacturing Expenses	98.30	67.82
Repairs to Building	49.24	53.69
Repairs to Machinery	95.83	72.02
Repairs to Others	27.28	27.83
Insurance (Net)	61.17	68.27
Rent	158.20	134.27
Rates, Taxes & Fee	130.97	111.87
Travelling & Conveyance	831.36	671.30
Legal & Professional Fees	1,302.16	897.05
Auditors' Remuneration	24.04	19.13
Commission and Sitting Fees to Non-Executive Directors	60.25	61.56
Donations	99.51	72.55
Bank Charges	167.09	161.42
Advertisement	4.62	3.10
Commission on sales	458.05	353.21
Freight & Forwarding (Net)	420.70	472.74
Business Promotion	344.56	261.09
Exhibition Expenses	243.19	147.16
Rebate, Discounts & Claims	67.82	117.42
Provision for Doubt ful debts / Advances	-	85.36
Bad debts / Misc. Balances written off	5.56	0.68
CSR Expenditure	153.83	183.59
Other Miscellaneous Expenses	468.12	390.03
Total	**13,881.02**	**12,300.42**

Payment to Auditors	Year ended 31 March 2019	Year ended 31 March 2018
Audit Fee	12.25	11.25
Tax Audit Fee	1.25	1.25
Limited Review of Results	3.00	2.50
In other capacity		
(a) For certification work	3.00	2.83
(b) For Others	2.50	-
Reimbursement of expenses	2.04	1.30
Total	**24.04**	**19.13**

33. TAX EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Tax expenses comprises of:		
Current tax	3,038.82	2,536.55
Earlier year tax adjustment (net)	88.70	-
Deferred tax	293.27	79.21
Total	**3,420.79**	**2,615.76**

Reconciliation of tax expenses and accounting profit multiplied by Indian tax rate	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	10,049.18	9,635.59
Applicable tax rate	34.94%	34.61%
Tax at the Indian tax rate of 34.944% (Previous year 34.61%) and special rate of 11.648%(PY -Nil)	**3,505.58**	**3,334.68**
Adjustment of expenses disallowed under income tax	109.80	141.75
Adjustment of expenses allowable under income tax	(419.79)	(639.09)
Other allowable deduction (including Ind As adjustments)	(159.14)	(300.79)
Current Tax (Normal Rate)	**3,036.45**	**2,536.55**
Additional Current Tax due to Special Rate	2.36	-
Current Tax (A)	**3,038.82**	**2,536.55**
Incremental Deferred tax Liability on timing Differences (Net)	293.26	79.21
Deferred Tax (B)	**293.26**	**79.21**
Tax expenses for earlier year (net) (C)	**88.70**	**-**
Tax expenses recognised in the statement of profit and loss (A+B+C)	**3,420.78**	**2,615.76**
Effective tax rate	34.04%	27.15%

POLY MEDICURE LIMITED

Notes to Standalone Financial Statements for the year ended March 31, 2019

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 2019 were approved and authorized for issue by the Board of directors in their meeting held on **10th May 2019**

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 liabilty 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:

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 recognisition 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 transalation 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. Effective 01.04.2018,the company has followed Ind-AS 115. 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:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor effectively retains substantally all rights and benefits of ownership of the leased assets are classified as operating lease. Lease payments under operating leases are recognised as an expense in the statement of Profit & Loss on straight line basis.

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 judgements, 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.

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 Fair value measurement of financial instruments:
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 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 judgement 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.

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	31-03-2019						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	**3,978.85**	-	-	**3,978.85**	-	-	-
In Fixed Maturity Plans	**224.04**	**224.04**	-	-	-	**224.04**	-
In Liquid Mutual Funds	**26.76**	**26.76**	-	-	-	**26.76**	-
Trade receivables	**12,414.02**	-	-	**12,414.02**	-	-	-
Cash & cash equivalents	**291.14**	-	-	**291.14**	-	-	-
Other bank balances	**5,027.60**	-	-	**5,027.60**	-	-	-
Loans	**22.78**	-	-	**22.78**	-	-	-
Other financial assets	**1,642.36**	**112.07**	-	**1,530.29**	-	**112.07**	-
Total financial assets	**23,627.55**	**362.87**	-	**23,264.68**	-	**362.87**	-
Financial liabilities							
Borrowings	**12,650.40**	-	-	**12,650.40**	-	-	-
Trade payables	**4,959.62**	-	-	**4,959.62**	-	-	-
Other financial liabilities	**4,409.05**	-	-	**4,409.05**	-	-	-
Total financial liabilities	**22,019.07**	-	-	**22,019.07**	-	-	-

(₹ in Lacs)

Particulars	31-03-2018						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	561.06	-	-	561.06	-	-	-
In Fixed Maturity Plans	209.02	209.02	-	-	-	209.02	-
In Liquid Mutual Funds	1,061.81	1,061.81	-	-	-	1,061.81	-
Trade receivables	11,189.36	-	-	11,189.36	-	-	-
Cash & cash equivalents	367.90	-	-	367.90	-	-	-
Other bank balances	1,668.60	-	-	1,668.60	-	-	-
Loans	15.76	-	-	15.76	-	-	-
Other financial assets	787.39	-	-	787.39	-	-	-
Total financial assets	**15,860.90**	**1,270.83**	-	**14,590.07**	-	**1,270.83**	-
Financial liabilities							
Borrowings	10,584.80	-	-	10,584.80	-	-	-
Trade payables	4,320.56	-	-	4,320.56	-	-	-
Other financial liabilities	4,322.65	45.01	-	4,277.64	-	45.01	-
Total financial liabilities	**19,228.01**	**45.01**	-	**19,183.00**	-	**45.01**	-

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 2019	Year ended 31 March 2018
a	**Contingent liabilities not provided for:**		
	Show Cause notices from excise department (Amount paid ₹ 2.94 lacs, Previous Year ₹ 2.94 lacs)	58.78	58.78
	Claim against the company not acknoweldged as debt	-	5.87
	Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
	Bonus for the year 2014-15 payable under payment of Bonus (Amendment) Act 2015, stayed by Punjab and Haryana High Court vide order dated 08.04.2016.	119.55	119.55
	Demand from National Pharmaceutical Pricing Authority (Net)	76.88	-
b	**Obligations and commitments outstanding:**		
	Unexpired letters of credit ₹ 743.67 lacs (Previous year ₹ 411.19 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,359.41 lacs (Previous year ₹ 1,278.36 lacs), (Net of margins)	2,103.08	1,689.55
	Bills discounted but not matured	1,008.66	1,688.63
	Custom duty against import under EPCG Scheme	1,074.52	1,219.33
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	2,295.56	1,726.23

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 maturity plan and also 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.

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 2017	7.09	31.09	7.71
Change In loss allowance	5.73	2.55	77.08
Loss Allowance as on 31 March 2018	12.82	33.64	84.79
Change In loss allowance	(3.04)	(3.80)	(7.71)
Loss Allowance as on 31 March 2019	**9.78**	**29.84**	**77.08**

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 2019	As at 31 March 2018
Variable rate borrowing	5,401.09	2,342.75
Fixed rate borrowing	9,636.16	10,393.21
Total	**15,037.25**	**12,735.96**

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 2019	**31 March 2018**
Interest rate- increase by 50 basis point	27.01	11.71
Interest rate- decrease by 50 basis point	(27.01)	(11.71)

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 fixed maturity plan, 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 2019	As at 31 March 2018
The company has working capital funds which Includes		
Cash and cash equivalent	291.14	367.90
Current investments in liquid mutual funds	26.76	1,061.81
Bank balances	5,027.60	1,668.60
Trade receivable	12,414.02	11,189.36
Total	**17,759.52**	**14,287.67**

Besides above, the company had access to the following undrawn facilities at the end of reporting period:

(₹ in Lacs)

Particulars	At at 31 March 2019	As at 31 March 2018
Fixed		
Cash credit and other facilities	3,987.57	3,817.81
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 2019			
Trade payable	4,959.62	-	4,959.62
Other Financial liabilities	7,533.86	9,525.58	17,059.44
Total	**12,493.48**	**9,525.58**	**22,019.06**
As at 31 March 2018			
Trade payable	4,320.56	-	4,320.56
Other Financial liabilities	6,498.33	8,409.12	14,907.45
Total	**10,818.89**	**8,409.12**	**19,228.01**

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 31-03-2019		As at 31-03-2018	
			FC	INR	FC	INR
Forward Contracts	Sell	USD:INR	54.03	3,736.31	86.28	5,622.95
		EURO:INR	6.00	466.01	33.30	2,671.30
		GBP:INR	-	-	9.00	822.74
	Buy	EURO:INR	0.39	30.60	-	-
		JPY:INR	73.02	45.57	-	-

(ii) Particulars of Unhedged Foreign Currency Exposure as at reporting date (Net exposure to Foreign Currency Risk)

(in Lacs)

Particulars	**Currency**	**As at 31-03-2019**		**As at 31-03-2018**	
		FC	**INR**	**FC**	**INR**
Receivable / (Payable)	USD:INR	21.78	1,506.05	(22.82)	(1,487.43)
	EURO:INR	(36.56)	(2,839.78)	(15.84)	(1,271.21)
	USD:INR	(18.49)	(1,278.79)	-	-
	EURO:INR	3.59	279.07	-	-
	GBP:INR	2.69	243.34	(7.66)	(700.66)
	CAD:INR	-	-	-	0.04
	LE.:INR	9.44	37.78	2.01	7.38
	SEK:INR	0.09	0.68	0.09	0.73
	JPY:INR	-	-	(276.02)	(169.26)
	AUD:INR	-	-	(0.24)	(12.27)
	SGD:INR	0.03	1.54	(0.01)	(0.66)

(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 31-03-2019**	**As at 31-03-2018**
Not later than 3 months	Sell	USD:INR	1,385.21	1,712.75
		EURO:INR	-	745.81
		GBP:INR	-	274.25
	Buy	EURO:INR	30.60	-
		JPY:INR	45.57	-
Later than 3 months and not later than 6 months	Sell	USD:INR	1,210.13	1,205.64
		EURO:INR	155.34	882.52
		GBP:INR	-	274.25
Later than 6 month & not later than one year	Sell	USD:INR	1,140.98	2,704.56
		EURO:INR	310.68	1,042.98
		GBP:INR	-	274.25

(iv) The mark to market gain or loss on foreign currency are as under: -

(₹ in Lacs)

Particulars	**For the year ended**	
	31 March 2019	**31 March 2018**
Mark to market loss / (Gain) accounted for (Net)	(157.08)	282.44

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 fixed maturity plan, 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 2019	31 March 2018
Gross borrowings	15,037.25	12,735.96
Less: cash and cash equivalents	291.14	367.90
Adjusted net debt	14,746.10	12,368.06
Total Equity	37,977.99	33,451.24
Adjusted net debt to equity	38.83%	36.97%

The company's total owned funds of ₹ 37,977.99 Lacs with ₹ 14,746.10 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 2019	31 March 2018
Dividend recognised in the financial statements		
Final dividend for year ended 31-Mar-18 of ₹ 2 per equity share (31-Mar-17 ₹ 0.50)	1,764.54	441.13
Dividend tax	362.71	89.80
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 per equity share (PY ₹ 2 per equity share)		

"This proposed 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 ₹ 2127.57 Lacs (including dividend distribution tax of ₹ 362.83 Lacs)."

38 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

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

1 Mr. Himanshu Baid (Managing Director)
2 Mr. Rishi Baid (Executive 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)

c Relatives of Key Management Personnel

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

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

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

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	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Sales of Goods	**870.94**	**888.07**			**1,642.80**	**1,986.35**
Ultra for Medical Products Egypt	869.99	888.07				
Plan 1 Health SRL, Italy	0.95					
Vitromed Healthcare					1,642.80	1,986.35
Purchases of Goods	**34.52**	**223.85**			**-**	**3.85**
Poly Medicure (Laiyang) Co. Ltd	34.52	223.85				
Vitromed Healthcare						3.85
Job work					**4,405.30**	**4,515.91**
Vitromed Health Care					4,405.30	4,515.91
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
Dividend/ Governing Council Share Received	**155.31**	**-**				
Ultra for Medical Products, Egypt	155.31	-				
Amount paid on behalf of and received back	**24.97**	**-**				
Poly Medicure BV, Netherlands	24.97	-				
Directors / Key Managerial Personnels' Remuneration including commission			**937.54**	**870.59**		
Mr. Himanshu Baid			443.01	414.25		
Mr. Rishi Baid			432.69	407.28		
Mr. J. K. Oswal			52.72	41.59		
Mr. Avinash Chandra			9.12	7.47		
Defined benefit obligations			**15.20**	**2.32**		
Mr. Himanshu Baid			6.81	1.67		
Mr. Rishi Baid			7.78	0.06		
Mr. J. K. Oswal			0.54	0.54		
Mr. Avinash Chandra			0.07	0.05		
Share based payment			**0.93**	**1.32**		
Mr. J. K. Oswal			0.93	1.32		
Salary and perquisites			**53.04**	**47.39**		
Mr. Vishal Baid			53.04	47.39		
Commission and Sitting fees			**60.25**	**59.75**		
Mr. J. K. Baid			9.75	9.75		
Mrs. Mukulika Baid			9.75	9.50		
Mr. Devendra Raj Mehta			11.00	10.00		
Mr. Prakash Chand Surana			9.25	11.00		
Mr. Shailendra Raj Mehta			10.75	10.50		
Dr. Sandeep Bhargava			9.75	9.00		
Investment in Wholly Owned Subsidiary	**3,417.79**					
Poly Medicure BV, Netherlands	3,417.79					
Investment Written Off	**130.33**					
US Safety Syringes Co. LLC, USA	130.33					
Management Fee			**141.84**	**-**		
Mr. Alessandro Balboni			141.84	-		

Outstanding balances at the year end

(₹ in Lacs)

Particulars	Subsidiaries, Step Subsidiary and Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Dividend/Share Governing Council outstanding	37.78	7.36				
Ultra for Medical Devices	37.78	7.36				
Directors' Remuneration / Salary payable			399.70	361.48		
Mr. Himanshu Baid			196.19	178.40		
Mr. Rishi Baid			197.68	178.18		
Mr. Vishal Baid			2.43	2.36		
Mr. J. K. Oswal			2.84	2.04		
Mr. Avinash Chandra			0.56	0.50		
Commission Payable			**40.50**	**40.50**		
Mr. J. K. Baid			6.75	6.75		
Mrs. Mukulika Baid			6.75	6.75		
Mr. Devendra Raj Mehta			6.75	6.75		
Mr. Prakash Chand Surana			6.75	6.75		
Mr. Shailendra Raj Mehta			6.75	6.75		
Dr. Sandeep Bhargava			6.75	6.75		
Management Fee & Others Payable			**16.71**			
Mr. Alessandro Balboni			16.71			
Trade Receivable	**624.56**	**567.76**			**71.05**	**65.01**
Vitromed Healthcare					71.05	65.01
Plan 1 Health SRL , Italy	0.95	-			-	-
Ultra for Medical Products	623.61	567.76			-	-
Trade Payable / Payable for capital goods	**14.95**	**17.32**			**420.06**	**403.27**
Vitromed Healthcare					420.06	403.27
Poly Medicure (Laiyang) Co. Ltd	14.95	17.32				

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Net profit after tax available for equity share holders (₹ In lacs)	6,628.39	7,019.83
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	8,82,36,930	8,82,26,880
Basic Earnings per Share (in ₹)	7.51	7.96
Diluted Earnings per Share		
Weighted Average no. shares outstanding during the year	8,82,36,930	8,82,26,880
Effect of dilutive issue of stock options	10,050	20,550
Weighted Average no. shares outstanding for diluted EPS	8,82,46,980	8,82,47,430
Diluted Earnings per Share (in ₹)	7.51	7.95

40 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 2019	**31 March 2018**
Employers' contribution to provident fund * #	407.42	403.52

* 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 ₹ 8.37 lacs (PY ₹ 8.38 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 acturial 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 2019	**31 March 2018**
Obligations at year beginning	**268.28**	**260.83**
Service Cost - Current	50.89	45.29
Service Cost - Past	-	1.91
Interest expenses	20.47	19.17
Acturial (gain) / Loss on PBO	(3.70)	(36.78)
Benefit payments	(14.36)	(22.14)
Addition due to transfer of employee	-	-
Obligations at year end	**321.58**	**268.28**

(ii) Change in plan assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	**31 March 2018**
Fair value of plan assets at the beginning of the period	**137.22**	**5.00**
Actual return on plan assets	10.50	4.72
Less- FMC Charges	(0.81)	(0.36)
Employer contribution	25.00	150.00
Benefits paid	(14.36)	(22.14)
Fair value of plan assets at the end of the period	**157.55**	**137.22**

(iii) Assets and Liabilities recognized in the Balance Sheet

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Present Value of the defined benefit obligations	321.58	268.28
Fair value of the plan assets	157.55	137.22
Amount recognized as Liability	**164.03**	**131.06**

(iv) Defined benefit obligations cost for the year:

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Service Cost - Current	50.89	45.29
Service Cost - Past	-	1.91
Interest Cost	10.00	18.79
Expected return on plan assets	-	-
Actuarial (gain) loss	-	-
Net defined benefit obligations cost	**60.89**	**65.99**

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	3.70	36.78
Actuarial gain /(loss) for the year on Asset	(0.79)	3.99
Unrecognized actuarial gain/(loss) for the year	2.90	40.77

(vi) Investment details of Plan Assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
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 2019	31 March 2018
Discount Rate per annum	7.65%	7.80%
Future salary increases	5.50%	5.50%

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 2019	31 March 2018
i)	Retirement Age (Years)	60.00	60.00
ii)	Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
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				
	31-03-2019	31-03-2018	31-03-2017	31-03-2016	31-03-2015
Defined benefit obligations	321.58	268.28	260.83	194.65	152.54
Plan assets	(157.55)	(137.22)	(5.00)	-	-
Deficit /(Surplus)	164.03	131.06	255.83	194.65	152.54

(x) Expected Contribution to the Fund in the next year

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Service Cost	64.39	60.17
Net Interest Cost	12.55	10.23
Expected contribution for next annual reporting perod	76.94	70.40

(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		
	31-03-2019	31-03-2018	Impact	31-03-2019	31-03-2018	Impact	31-03-2019	31-03-2018
Discount Rate per annum	0.50%	0.50%	Decrease by	(20.50)	(17.28)	Increase by	22.60	19.08
Future salary increases	0.50%	0.50%	Increase by	22.97	18.16	Decrease by	(21.00)	(16.59)

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	21.77
b	1 to 2 Year	4.72
c	2 to 3 Year	4.88
d	3 to 4 Year	5.00
e	4 to 5 Year	5.75
f	5 to 6 Year	8.27
g	6 Year onwards	271.21

(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 ₹ 118.71 lacs form part of long term provision ₹ 106.06 Lacs (PY ₹ 99.15 Lacs) and short term provision ₹ 12.65 Lacs (PY ₹ 12.92 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19."

41 Borrowing cost of ₹ Nil (Previous Year ₹ 8.79 Lacs) have been included in capital work in progress.

42 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 2019	31 March 2018
Medical Devices	56,765.02	49,663.30
Total	**56,765.02**	**49,663.30**

ii) Revenue as per geographical area (Ind AS 108, Para 33 (a))

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
With in India	16,397.89	12,638.31
Outside India	40,367.13	37,024.99
Total	**56,765.02**	**49,663.30**

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.

43 LEASES :

Operating leases

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

ii) Lease rental expenses in respect of operating leases: ₹ 158.20 Lacs (Previous Year ₹ 134.27 Lacs).

iii) The future minimum lease payments as at 31st March 2019 are as follows:

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Payable not later than one year	158.83	136.08
Payable later than one year and not later than five year	116.28	163.16
Total	**275.11**	**299.24**

44 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of expenditure incurred on CSR are as under:

(₹ in Lacs)

S. No.	Particulars	Year ended	
		31 March 2019	31 March 2018
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	160.09	146.00
b	Amount spent during the year on :		
	i Construction / acquisition of any assets	-	-
	ii On purposes other than (i) above	153.83	183.59
c	Unspent amount in CSR	6.26	-
d	The breakup of expenses included in amount spent are as under:		
	Particulars		
	Animal protection	23.79	16.36
	On fooding	3.11	3.60
	On promoting education	85.77	105.52
	Social welfare	14.73	2.00
	Welfare for disabled persons	15.92	38.02
	Promoting gender equality & empower women	-	0.24
	On promotion of healthcare	10.51	17.86

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 expire at the end of 3 months from the date of such vesting or such extended period.

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. No option under the said scheme has yet been granted."

a Details of employees stock options granted from 1st April 2016 to 31st March 2019.

Financial Year	Number	Exercise price	Fair value at grant date
(Year of Grant)			
2016-17	23500	50	350
2017-18	Nil	-	-
2018-19	Nil	-	-

b 20100 (Net of lapses/forfeiture) No. of Shares got vested during the year ended 31st March 2019. However, 10050 shares were exercised and the balance 10050 equity shares are yet to be exercised.

c Movement of share options during the year

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of share options	Exercise Price	Number of share options	Exercise Price
Balance at the beginning of the year	20,550	50	21,250	50
Granted during the year	-	-	-	-
Forfeited during the year	450	50	700	50
Exercised during the year	10,050	-	-	-
Expired / Lapsed during the year	-	-	-	-
Balance Options to be exercised at the end of the year	10,050	50	20,550	50

d Compensation expenses arising on account of share based payments

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Share based payment expenses to employees	18.69	18.01
Total	**18.69**	**18.01**

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

- a Exercise price - ₹ 50
- b Grant date - 2nd June 2016
- c Vesting year - Financial Year 2018-2019
- d Share price at grant date - ₹ 350
- e Expected price volatility of the company share - 20% to 25%
- f Expected dividend yield - 1.18%
- g Risk free interest rate - 6.50%

The expected price volatility is based on the historic volatility.

46 Standards issued and amended but not effective

The Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules have notified following new and amendments to Ind AS which the Company have not applied as they are effective from 1st April, 2019.

Ind AS 12 Income tax (amendments relating to income tax consequences of dividend and uncertainty over other income tax treatments):
The Company does not expect any significant impact of this amendment in financial statements.

Ind AS 19 Plan amendment, curtailment or settlement:
The Company does not expect this amendment to have any impact on its financial statements

Ind AS 23 Borrowing Cost:
The amendment clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of fund that an entity generally borrows when calculating capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 Long term interest in associates and joint ventures:
The Company does not currently have any long term interest in joint ventures.”

Ind AS 103 Business combinations and Ind AS 111 joint arrangements:
The Company will apply the pronouncements if and when it obtains control/ joint control of a business that is joint operation.

Ind AS 109 Prepayment features with negative compensation:
The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 116 will replace existing lease standard Ind AS 17 Leases:
Ind AS 116 sets out the principles for recognition measurement, presentation and disclosure of leases for both lessor and lessee.

47 Events after the reporting date

Dividends declared by the company are based on the profits available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On 10^{th} May 2019, the Board of directors have proposed a final dividend of ₹ 2/- per share in respect of the year ended March 31 2019 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 ₹ 2127.57 Lacs, inclusive of corporate dividend tax of ₹ 362.83 Lacs.

48. Previous year figures have been re-grouped and re-arranged wherever necessary to conform to current year classification.

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

For and on behalf of the Board of Directors

M. S. Agarwal	Himanshu Baid	Rishi Baid
Partner	Managing Director	Executive Director
Membership No. 86580	DIN: 00014008	DIN: 00048585
Place : New Delhi	J.K.Oswal	Avinash Chandra
Date : 10.05.2019	CFO	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 Company") its foreign subsidiaries and foreign associate (the Company, its subsidiaries and associate together referred to as "the Group") as per list annexed, which comprise the Consolidated Balance Sheet as at March 31, 2019, 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, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows 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 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 judgement, 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 company has recognised goodwill on consolidation amounting to ₹ 2858.11 Lacs on March 31, 2019. No impairment in the value of goodwill has been made, as in the opinion of management, based on future operating results/business plans and future cash flows of such step subsidiary company, no impairment is necessitated. (Refer note no. 46 to Consolidated financial statements)	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.

Information Other than the Consolidated Financial Statements and Auditor's 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 consolidated financial statements and our auditor's report thereon

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, 2019 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 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 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 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 for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 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 are also responsible for overseeing the financial reporting process of the Group.

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 judgement 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 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 are no subsidiary companies incorporated in 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 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 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 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.

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 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 ₹1058.37 lacs as at 31st March 2019 and total revenue of ₹1098.90 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 ₹139.88 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 whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. There are no subsidiaries/associate company incorporated in India.

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 ₹ 4512.91 Lacs as at 31st March 2019, and total consolidated revenue of ₹ 1350.05 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 and our report in term of Section 143(3) and 143(11) of the Act in so far as it relates to the aforesaid subsidiary is based solely on the basis of management certified consolidated financial statement.

Our Opinion on Consolidated financial statements and our report on other legal and regulating 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.

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, 2019 taken on record by the Board of Directors of the holding Company, none of the directors of the holding Company is disqualified as on March 31, 2019 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on our report of the holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of holding company, for reasons stated therein, There are no subsidiary companies incorporated in India.

   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 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 Company.

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

(M S Agarwal)
Partner
Membership number: 086580

Place: New Delhi
Date: 10th May 2019

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 2019, we have audited the internal financial controls over financial reporting of Poly Medicure Limited ("the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 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 2019, 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. There are no subsidiary companies incorporated in India.

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

M.S Agarwal
Partner
Membership number: 086580

Place: New Delhi
Date: 10th May 2019

Annexure I: List of entities consolidated as at March 31, 2019

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

Poly Medicure Limited

Consolidated Balance Sheet as at March 31, 2019

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
ASSETS			
1. Non-Current assets			
(a) Property, plant and equipment	2	26,065.42	24,864.31
(b) Capital work-in-progress		936.42	966.39
(c) Investment Properties	3	352.07	348.98
(d) Goodwill on consolidation		2,858.11	-
(e) Intangible assets	2	1,350.64	1,315.03
(f) Intangible assets under development		1,005.38	858.15
(g) Financial Assets			
(i) Investment in associates	4	503.38	469.92
(ii) Other Investments	5	224.04	209.02
(iii) Other financial assets	7	1,124.54	672.66
(h) Other non-current assets	8	808.07	1,257.39
Total non-current assets		**35,228.07**	**30,961.85**
2 Current assets			
(a) Inventories	9	8,379.09	7,298.90
(b) Financial assets			
(i) Investments	5	26.76	1,061.81
(ii) Trade receivables	10	12,838.26	11,254.32
(iii) Cash and cash equivalents	11	431.76	370.08
(iv) Bank balances other than (iii) above	12	5,027.60	1,668.60
(v) Loans	6	22.78	15.76
(vi) Other financial assets	7	541.46	123.28
(c) Other current assets	8	2,899.35	3,727.65
Total current assets		**30,167.06**	**25,520.40**
TOTAL ASSETS		**65,395.13**	**56,482.25**

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	4,411.85	4,411.34
(b) Other equity	14	33,725.16	29,418.46
Equity attributable to shareholders of the company		38,137.01	33,829.80
Non-controlling interest		-	(0.26)
Total equity		**38,137.01**	**33,829.54**
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	9,137.97	7,911.58
(ii) Other financial liabilities	16	387.60	497.55
(b) Provisions	17	313.07	210.24
(c) Government Grants		194.00	203.47
(d) Deferred tax liabilities (Net)	18	1,866.31	1,572.01
Total non-current liabilities		**11,898.95**	**10,394.85**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	4,547.48	3,223.62
(ii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		171.97	134.38
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,381.84	4,228.07
(iii) Other financial liabilities	21	4,056.86	3,861.32
(b) Other current liabilities	22	817.61	777.58
(c) Provisions	17	34.42	32.89
(d) Current tax liabilities (net)	23	348.99	-
Total current liabilities		**15,359.17**	**12,257.86**
TOTAL LIABILITIES		**65,395.13**	**56,482.25**
Significant accounting policies	a-aa		
The accompanying notes are integral part of the	1 - 50		

As per our report of even date annexed
For DOOGAR & ASSOCIATES (Reg No.000561N)
Chartered Accountants
M. S. Agarwal
Partner
Membership No. 86580

Place : New Delhi
Date : 10.05.2019

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
INCOME			
Revenue from operations	24	61,082.53	52,167.79
Other income	25	1,826.71	1,437.58
Total Revenue		**62,909.24**	**53,605.37**
EXPENSES			
Cost of materials consumed	26	19,492.01	17,112.04
Purchases of Stock-in-Trade		1,454.41	437.26
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(80.03)	(1,044.29)
Excise duty on sale of goods		-	126.10
Employee benefits expense	28	11,660.71	9,912.59
Research and development expenses	29	1,014.90	1,004.78
Finance cost	30	1,175.06	996.48
Depreciation and amortization expense	31	3,729.22	2,924.40
Other expenses	32	14,595.39	12,584.89
Total Expenses		**53,041.67**	**44,054.25**
Profit before tax, and share of net profit from associates		**9,867.57**	**9,551.12**
Share of profit from associates		139.88	124.03
Profit before tax		**10,007.45**	**9,675.15**
Tax expenses:			
(1) Current tax		3,085.58	2,536.55
(2) Deferred tax		293.27	79.21
(3) Tax adjustment for earlier years (net)		88.70	-
Total tax expenses	**33**	**3,467.55**	**2,615.76**
Profit after tax		**6,539.90**	**7,059.39**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Acturial gains/(losses) of defined benefit plan		2.91	40.77
Tax impacts on above		(1.02)	(14.11)
Other comprehensive income for the year (net of tax)		**1.89**	**26.66**
Total comprehensive income for the year		**6,541.79**	**7,086.05**
Profit for the year attributable to:			
Equity holders of the parent		6,539.90	7,059.39
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Equity holders of the parent		6,541.79	7,086.05
Non-controlling interests		-	-
Earnings per equity share: (Face value ` 5 each) in rupees	**39**		
Basic		**7.41**	8.00
Diluted		**7.41**	8.00
Significant accounting policies	a-aa		
The accompanying notes are integral part of the consolidated financial statements	1 - 50		

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

For and on behalf of the Board of Directors

M. S. Agarwal	Himanshu Baid	Rishi Baid
Partner	Managing Director	Executive Director
Membership No. 86580	DIN: 00014008	DIN: 00048585
Place : New Delhi	J.K.Oswal	Avinash Chandra
Date : 10.05.2019	CFO	Company Secretary

Poly Medicure Limited

Consolidated Statement of Cash Flow for the year ended 31 March 2019

(₹ in Lacs)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax and exceptional items	9,867.57	9,551.12
	Adjusted for:		
	Depreciation and amortisation	3,729.22	2,924.40
	Share in Income of Associates	139.88	124.03
	Interest expense	1,175.06	996.48
	Interest income	(349.47)	(199.19)
	Dividend Income	(155.31)	-
	Loss/(profit) on sale of fixed assets, net	(78.40)	(4.12)
	Debts/advances written off	32.66	0.68
	Provision for doubtful debts and advances	(14.55)	85.36
	Credit balances no longer required, written back	(139.03)	(6.19)
	Deferred employee compensation expenses (net)	18.69	18.01
	Unrealised foreign exchange (gain) /loss	197.59	(135.12)
	Other Comprehensive Income	2.91	40.77
	Write off of Non-Controlling Interest	0.26	-
	Ind As Adjustment for Unrealised Gain on Mutual Fund	(16.70)	(43.39)
	Ind As Adjustment on Govt. Grant & Subsidy	(80.55)	(53.95)
	Ind As Adjustment for Interest Income on Financial Assets	(3.43)	(2.95)
	Ind As Adjustment on Forward Contracts (Net)	(157.08)	282.44
	Ind As Adjustment for Deferred Processing fees	15.34	5.71
	Ind As Adjustment for Interest on Security deposit against Rent	3.88	-
	Other adjustments including minority	24.26	(39.58)
	Operating profit before working capital changes	**14,212.79**	**13,544.51**
	Movement in working capital		
	Decrease/(increase) in inventories	(1,080.19)	(1,104.29)
	Decrease/ (increase) in sundry debtors	(1,877.06)	(1,513.82)
	Decrease/(Increase) in financial assets	(90.61)	(27.05)
	Decrease/(Increase) in other assets	809.03	(1,675.12)
	Increase/ (decrease) in trade payables	1,354.27	166.17
	Increase/ (decrease) in other financial liabilities	(12.19)	220.37
	Increase/ (decrease) in other liabilities	40.04	322.70
	Increase/ (decrease) in provisions	104.36	(124.23)
	Cash generated from operations	**13,460.45**	**9,809.24**
	Direct taxes paid (net of refunds)	(2,748.22)	(2,313.53)
	Net cash from operating activities	**10,712.23**	**7,495.71**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(7,799.72)	(8,245.64)
	Purchase of Investments (net)	1,003.28	(1,227.44)
	Proceeds from / (Investment in) Fixed Deposits (net)	(3,829.71)	398.02
	Proceeds from sale of fixed assets	241.07	24.56
	Interest income	193.93	247.41
	Net cash used for investing activities	**(10,191.15)**	**(8,803.09)**

(₹ in Lacs)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings / deferred payment liabilities (net)	2,824.13	3,093.09
	Proceeds from Share Allotments	5.03	-
	Dividend and tax thereon Paid	(2,119.25)	(530.93)
	Interest / Finance charges paid	(1,169.29)	(990.79)
	Net cash from (used for) financing activities	**(459.39)**	**1,571.37**
	Net increase in cash and cash equivalents (A+B+C)	61.68	263.99
	Cash and cash equivalents at the beginning of the year	370.08	106.09
	Cash and cash equivalents at the end of the year	**431.76**	**370.08**
	COMPONENTS OF CASH AND CASH EQUIVALENTS		
	Balances with Banks in current account	417.42	302.71
	Cheques, drafts on hand	0.29	3.54
	Cash on hand (including foreign currency notes)	13.91	12.25
	Fixed deposits with banks, having original maturity of three months or less	0.14	51.58
	Cash and cash equivalents at the end of the year	**431.76**	**370.08**

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES	Year ended 31 March 2019	Year ended 31 March 2018
Cash and cash equivalents at the end of the year as per above	**431.76**	**370.08**
Add: Balance with banks in dividend / unclaimed dividend accounts	22.55	14.56
Add: Fixed deposits with banks, having maturity period for less than twelve months	5,005.05	1,654.04
Add: Fixed deposits with banks (lien marked)	791.78	391.17
Add: Fixed deposits with banks, having maturity period for more than twelve months	194.11	124.01
Cash and bank balance as per balance sheet (refer note 7, 11 and 12)	**6,445.25**	**2,553.86**

DISCLOSURE AS REQUIRED BY IND AS 7
Reconciliation of liabilities arising from financing activities

March 31, 2019	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	**5,374.77**	1,583.09	(23.55)	6,934.31
Long term secured borrowing	**7,911.58**	1,241.03	(14.64)	9,137.97
Total liabilities from financing activities	**13,286.35**	**2,824.13**	**(38.19)**	**16,072.28**

March 31, 2018	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	**5,311.30**	104.09	(40.62)	5,374.77
Long term secured borrowing	**4,762.48**	2,989.00	160.10	7,911.58
Total liabilities from financing activities	**10,073.78**	**3,093.09**	**119.48**	**13,286.35**

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

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

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Place : New Delhi
Date : 10.05.2019

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March 2019

A. Equity share capital

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
At the beginning of the year	4,411.34	4,411.34
Changes in equity share capital during the year	0.51	-
At the end of the year	**4,411.85**	**4,411.34**

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 2017	**46.98**	**166.67**	**-**	**23.60**	**360.97**	**11,134.83**	**11,361.73**	**13.67**	**(13.32)**	**23,095.13**
Profit for the year							7,059.39			7,059.39
Other comprehensive income (net of taxes)									26.66	26.66
Transfer from retained earnings to General reserve						2,500.00	(2,500.00)			-
Addition on account of employees stock option granted				18.01						18.01
Final Dividend and tax thereon, declared and paid during the year							(530.93)			(530.93)
Dividend from associate adjusted							(419.68)			(419.68)
Addition during the year		10.70			92.99			66.19		169.88
Balance as at 31 March 2018	**46.98**	**177.37**	**-**	**41.61**	**453.96**	**13,634.83**	**14,970.51**	**79.86**	**13.34**	**29,418.46**
Balance as at 1 April 2018	**46.98**	**177.37**	**-**	**41.61**	**453.96**	**13,634.83**	**14,970.51**	**79.86**	**13.34**	**29,418.46**
Profit for the year							6,539.90			6,539.90
Received during the year	-		34.67							34.67
Other comprehensive income (net of taxes)									1.89	1.89
Addition in opening balance on account of new subsidiary added during the year							(0.09)			(0.09)
Transfer from retained earnings to General reserve						2,500.00	(2,500.00)			-
Addition (deletion) during the year (Net of lapses)				(11.46)						(11.46)
Final Dividend / Dividend tax adjusted							(2,127.25)			(2,127.25)
Dividend from associate adjusted							(155.31)			(155.31)
Addition during the year		71.14			6.75			(53.54)		24.35
Balance as at 31 March 2019	**46.98**	**248.51**	**34.67**	**30.15**	**460.71**	**16,134.83**	**16,727.76**	**26.32**	**15.23**	**33,725.16**

Note:

General Reserves have been created by transfer out of profit generated by the company and is available for distribution to shareholders.

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 01.04.2017	**1,667.14**	**862.18**	**3,104.80**	**25,297.24**	**382.29**	**555.51**	**907.82**	**32,776.98**	**730.44**	**978.53**	**1,708.97**	**34,485.95**
Additions during the year	-	-	2,317.11	5,764.05	29.41	67.78	86.60	8,264.95	55.93	212.37	268.30	8,533.25
Deductions/Adjustments	78.36	-	(45.60)	(69.96)	-	(5.98)	14.06	(29.12)	-	-	-	(29.12)
Gross Carrying Value as on 31.03.2018	**1,588.78**	**862.18**	**5,467.51**	**31,131.25**	**411.70**	**629.27**	**980.36**	**41,071.05**	**786.37**	**1,190.90**	**1,977.27**	**43,048.32**
Accumulated Depreciation as on 01.04.2017	-	41.21	834.51	11,628.06	195.98	341.95	356.04	13,397.75	194.50	286.32	480.82	13,878.57
Depreciation for the year	-	9.28	113.42	2,396.22	31.03	72.93	115.94	2,738.82	89.80	91.62	181.42	2,920.24
Deductions/Adjustments	-	-	(13.22)	(61.63)	-	(7.18)	11.88	(70.15)	-	-	-	(70.15)
Accumulated Depreciation as on 31.03.2018	**-**	**50.49**	**961.15**	**14,085.91**	**227.01**	**422.06**	**460.10**	**16,206.72**	**284.30**	**377.94**	**662.24**	**16,868.96**
Carrying Value as on 31.03.2018	**1,588.78**	**811.69**	**4,506.36**	**17,045.34**	**184.69**	**207.21**	**520.26**	**24,864.33**	**502.07**	**812.96**	**1,315.03**	**26,179.36**
Gross Carrying Value as on 01.04.2018	**1,588.78**	**862.18**	**5,467.51**	**31,131.25**	**411.70**	**629.27**	**980.36**	**41,071.05**	**786.37**	**1,190.90**	**1,977.27**	**43,048.32**
Gross Carrying Value of new Foreign Subsidiary (as consolidated)	**-**	**-**	**-**	**379.82**	**81.59**	**224.73**	**-**	**686.14**	**-**	**3.79**	**3.79**	**689.93**
Total	**1,588.78**	**862.18**	**5,467.51**	**31,511.07**	**493.29**	**854.00**	**980.36**	**41,757.19**	**786.37**	**1,194.69**	**1,981.06**	**43,738.26**
Additions during the year	1.96	-	555.98	4,003.85	50.73	112.39	161.06	4,885.97	34.82	184.36	219.18	5,105.15
Deductions/Adjustments	-	-	5.94	670.78	-	1.13	240.51	918.36	-	-	-	918.36
Gross Carrying Value as on 31.03.2019	**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**
Accumulated Depreciation as on 01.04.2018	**-**	**50.49**	**961.15**	**14,085.91**	**227.01**	**422.06**	**460.10**	**16,206.72**	**284.30**	**377.94**	**662.24**	**16,868.96**
Accumulated Depreciation of new Foreign Subsidiary (as consolidated)	**-**	**-**	**-**	**350.84**	**73.39**	**181.96**	**-**	**606.19**	**-**	**-**	**-**	**606.19**
Total	**-**	**50.49**	**961.15**	**14,436.76**	**300.40**	**604.02**	**460.10**	**16,812.92**	**284.30**	**377.94**	**662.24**	**17,475.16**
Depreciation for the year	-	9.28	185.67	3,104.58	34.32	89.46	112.55	3,535.86	84.62	102.74	187.36	3,723.22
Deductions/Adjustments	-	-	2.02	486.21	-	0.95	200.22	689.40	-	-	-	689.40
Accumulated Depreciation as on 31.03.2019	**-**	**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**
Carrying Value as on 31.03.2019	**1,590.74**	**802.41**	**4,872.75**	**17,789.01**	**209.30**	**272.73**	**528.48**	**26,065.42**	**452.27**	**898.37**	**1,350.64**	**27,416.06**

2.1 Additions during the year includes Fixed Assets for Research and Development

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total Tangible	Software	Patent & Trade Marks	Total Intangible	Net Assets
Additions during the year	-	-	10.26	12.04	-	-	-	22.30	-	-	-	22.30
Depreciation for the year	-	-	13.88	52.53	1.17	0.28	-	67.86	12.66	-	12.66	80.51

2.2 Borrowing cost of ₹ Nil lacs (previous year ₹ 145.55 Lacs) have been included in additions to Fixed Assets.

2.3 The estimated amortisation in intangible assets for the year subsequent to 31st March 2019 is as follows:

(₹ in Lacs)

Year Ending March 31	Amortisation Expense
2020	173.30
2021	161.30
2022	152.19
2023	149.19
Thereafter	714.66

3. Notes on consolidated Financial Statement for the Year ended March 31, 2019

(₹ in Lacs)

INVESTMENT PROPERTIES	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Gross balance at beginning	363.65	74.52
Additions during the year	9.09	289.13
Disposals / Deductions	-	-
Depreciation for the year	6.00	4.16
Accumulated Depreciation	(20.67)	(14.67)
Net balance at the end of reporting period	**352.07**	**348.98**
Fair Value	**341.51**	**336.53**

Amount recognised in Statement of Profit & Loss for Investment Properties	**Year ended 31 March 2019**	**Year ended 31 March 2018**
Rental Income	**8.91**	**6.07**

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 two (PY three) Investment properties valued at ₹ 241.17 Lacs (PY ₹ 289.13 Lacs) are yet to be executed in favor of the company.

4. INVESTMENT ASSOCIATES

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
(valued at cost unless stated otherwise)				
Unquoted equity instruments - fully paid				
Investment in associates				
73,600 (previous Year 59,800) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	503.38	469.92	-	-
Total	**503.38**	**469.92**	**-**	**-**
Aggregate amount of Unquoted Investment	503.38	469.92	-	-
Aggregate provision for diminuation in the value of Investment	-	-	-	-
Category wise summary:				
Financial assets measured at amortised cost (net of provision)	503.38	469.92	-	-
Financial assets measured at fair value through profit and loss	-	-	-	-

5. OTHER INVESTMENT

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Investment measured at fair value through profit and loss				
Unquoted				
In Fixed Maturity Plans				
UTI FITF Series XXVII - II (1161 DAYS)	224.04	209.02	-	-
In Liquid Mutual Funds				
HDFC Corporate Debt Opportunities Fund	-	-	-	103.15
ICICI Prudential Regular Saving Fund -	-	-	-	207.29
SBI Corporate Bond Fund - Reg - Gr	-	-	-	206.79
Birla Sun Life Corporate Bond Fund-GR.R	-	-	-	207.86
Kotak Income Opp.Fund-Growth Regular Pl	-	-	-	207.73
ICICI Prudential Balance Advantage Fund- Gr	-	-	26.76	25.08
UTI Income Opportunities Fund- Growth P	-	-	-	103.91
Total	**224.04**	**209.02**	**26.76**	**1,061.81**
Aggregate amount of Unquoted Investment	**224.04**	**209.02**	**26.76**	**1,061.81**
Aggregate provision for diminuation 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	224.04	209.02	26.76	1,061.81

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, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Considered good- Unsecured:				
Loans and advances to employees	-	-	22.14	14.52
Others	-	-	0.64	1.24
Total	**-**	**-**	**22.78**	**15.76**

7. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
(Unsecured, considered good, unless stated otherwise)				
Security Deposits				
Considered good	113.12	135.90	151.43	58.59
Considered doubtful	-	-	9.78	12.82
Less: Provision for doubtful deposits	-	-	(9.78)	(12.82)
Interest accrued on bank deposits / Advances	25.53	21.58	189.13	37.54
Dividend / Governing council share from associates	-	-	37.78	7.36
Gain on outstanding forward contracts reveivable	-	-	112.07	-
Other receivable #	-	-	51.05	19.79
Non-current bank balances (refer note 12)	985.89	515.18	-	-
Total	**1,124.54**	**672.66**	**541.46**	**123.28**

Includes ₹ 2.33 lacs (₹ 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 2019	As at 31 March 2018
Balance at the beginning of the year	12.82	7.09
Movement in the amount of provision (Net)	(3.04)	5.73
Balalnce at the end of the year	9.78	12.82

8. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
(Unsecured, considered good, unless stated otherwise)				
Capital Advances				
Considered Good	761.53	1,149.45	-	-
Considered Doubtful	77.08	77.08	-	-
Less: Provision for doubtful advances	(77.08)	(77.08)	-	-
Other loans and advances				
Advance for goods / services				
Considered Good	-	-	369.81	374.85
Considered Doubtful	-	-	-	7.71
Less: Provision for doubtful advances	-	-	-	(7.71)
Balance with revenue authorities	-	-	773.58	1,216.24
Advance tax/ tax deducted at source (net of provision)	7.13	84.21	-	-
Prepaid Expenses	39.41	23.73	125.38	116.79
GST, Excise Duty, Service tax, VAT and other refundable	-	-	566.36	983.86
Export benefits receivable	-	-	1,064.22	1,035.91
Total	**808.07**	**1,257.39**	**2,899.35**	**3,727.65**

8.1 Movement in provison for doubtful advances

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	84.79	7.71
Movement in amount of provision (Net)	(7.71)	77.08
Balance at the end of the year	77.08	84.79

9. INVENTORIES

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(Valued at lower of cost and net realisable value)		
Raw Materials including packing materials	3,406.22	3,610.71
Goods-in transit	819.35	436.97
Work-in-progress	2,529.07	1,707.00
Finished Goods	1,135.94	1,072.00
Stock-in-trade	71.42	21.66
Stores and spares	417.09	450.56
Total	**8,379.09**	**7,298.90**

Amount recognised in statement of profit and loss

Provision on account of slow/non-moving inventory resulting in write down of inventory to net realisable value amounts to ₹ 80.14 Lacs (Previous year ₹ 88.66 Lacs) . These were recognised as an expenses forming part of cost of material consumed during the year in the statement of profit and loss.

10. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Considered good- Unsecured	12,838.26	11,254.32
Credit Impaired	29.84	33.64
Less: Credit Impaired	(29.84)	(33.64)
Total	**12,838.26**	**11,254.32**

(₹ in Lacs)

Particulars	Outstanding As at end of		Maximum balance outstanding during the period ended	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Trade receivable includes:				
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	71.05	65.01	805.78	959.07
Due from Ultra For Medical Products (UMIC), being associate company	623.61	567.76	738.37	821.69

(₹ in Lacs)

Movement in the provision for doubtful debts	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	33.64	31.09
Movement in amount of provision (net)	(3.80)	2.55
Balance at the end of the year	29.84	33.64

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 2019	As at 31 March 2018
Balances with Banks		
In current accounts	417.42	302.71
In deposit accounts, with less than 3 months maturity period	0.14	51.58
Cash on hand (including foreign currency notes)	13.91	12.25
Cheque in hand	0.29	3.54
Total	**431.76**	**370.08**

There are no repratriation restrictions with regard to cash & cash equivalents as at the end of reporting period and prior periods.

12. OTHER BANK BALANCES

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Unclaimed dividend accounts	-	-	22.55	14.56
Held as margin money	791.78	391.17	-	-
Deposits with more than 3 months but less than 12 months maturity period	-	-	5,005.05	1,654.04
Deposits with more than 12 months maturity period	194.11	124.01	-	-
Amount disclosed under the head “other Non Current Financial Assets” (Refer note 7)	(985.89)	(515.18)		
Total	**-**	**-**	**5,027.60**	**1,668.60**

13. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised share Capital				
Equity Shares of ₹ 5 each	120000000	6,000.00	120000000	6,000.00
Issued, subscribed & paid up shares				
Equity Shares of ₹ 5 each fully paid up	88236930	4,411.85	88226880	4,411.34
Total	**88236930**	**4,411.85**	**88226880**	**4,411.34**

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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	88226880	4,411.34	88226880	4,411.34
Add: Issued during the year by way of ESOP	10050	0.51	-	-
Outstanding at the end of year	**88236930**	**4,411.85**	**88226880**	**4,411.34**

13.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 (₹ 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, 2019		As at 31 March, 2018	
	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	12,361,320	14.01%	12,361,320	14.01%
Mr. Rishi Baid	9,993,048	11.33%	9,826,048	11.14%
M/s Zetta Matrix Consulting LLP	8,319,660	9.43%	8,319,660	9.43%
Mr. Himanshu Baid	7,907,624	8.96%	8,074,624	9.15%

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 The Board of Directors of the company in their meeting held on 10th May 2019 have proposed a final dividend of ₹ 2/- per equity share (40%) for the financial year ended 31st March 2019. The proposed dividend is subject to the approval of shareholders at the ensuing Annual General Meeting and upon approval would result in cash outflow of ₹ 2127.57 lacs (including dividend distribution tax of ₹ 362.83 Lacs)

13.5 Shares allotted for consideration other than cash during the period of five years immediately preceding financial year

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

The Company had alloted 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 2019	As at 31 March 2018
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	**248.51**	**177.37**
Closing Balance	**248.51**	**177.37**
Securities Premium		
Balance at the beginning of the year	-	-
Received during the year	34.67	-
Closing Balance	**34.67**	**-**
Share Based Payment Reserve Account		
Balance at the beginning of the year	41.61	23.60
Addition (deletion) during the year (Net of lapses)	(11.46)	18.01
Closing Balance	**30.15**	**41.61**

General Reserve		
Balance at the beginning of the year	13,634.83	11,134.83
Add: Transferred from Surplus in Statement of Profit and Loss	2,500.00	2,500.00
Closing Balance	**16,134.83**	**13,634.83**
Foreign Currency fluctuation Reserve	**460.71**	**453.96**
Closing Balance	**460.71**	**453.96**
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	14,970.51	11,361.73
Add: Addition in opening balance on account of new subsidiary added during the year	(0.09)	-
Add: Additions during the year	6,539.90	7,059.39
Less: Dividend adjusted for previous year	(1,764.54)	(441.13)
Less: Dividend tax adjusted for previous year	(362.71)	(89.80)
Less: Transferred to General Reserve	(2,500.00)	(2,500.00)
Less: Dividend from associate adjusted	(155.31)	(419.68)
Closing Balance	**16,727.76**	**14,970.51**
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	13.34	(13.32)
Add: Addition during the year	1.89	26.66
Closing Balance	**15.23**	**13.34**
Shares in reserves in associates	**26.32**	**79.86**
Closing Balance	**26.32**	**79.86**
Grand Total	**33,725.16**	**29,418.46**

15. BORROWINGS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Secured - At Amortised Cost				
(i) Term loans				
from banks	9,117.61	7,753.21	2,333.82	2,049.77
(iii) Others - Vehicle Loan				
from banks	20.36	36.46	16.11	14.67
from others	-	46.51	36.91	47.15
(iv) Deferred payment liabilities	-	75.40	-	39.56
Amount disclosed under the head “other current financial liabilities” (note 21)	-	-	2,386.84	2,151.15
Total	**9,137.97**	**7,911.58**	**-**	**-**

15.1 Term loan comprises the following:

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
From Bank				
Rupee Loan #	5,015.64	5,859.84	1,034.70	1,600.39
Foreign Currency Loan##	4,101.97	1,893.37	1,299.12	449.38

net off of ₹ 6.67 Lacs (PY ₹ 12.19 lacs) as finance charge.
net off of ₹ 27.88 Lacs (PY Nil) as finance charge.

15.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Installments	Outstanding as at 31.03.2019	Annual repayment schedule			
				2019-20	2020-21	2021-22	2022-23 & 2023-24
Rupee Loan #	9.67%	Qtr	6,057.01	1,038.65	1,849.33	1,617.03	1,552.00
Foreign Currency Loan ##	2.43%	0%	4,958.60	1,176.00	1,305.03	1,305.04	1,172.53
Buyers credit	10.00%	Monthly	470.36	134.39	335.97	-	-
Others - Vehicle Loan	0.00%	Monthly	73.37	53.01	17.68	2.68	-

includes ₹ 6.67 Lacs as prepaid finance charge
includes ₹ 27.88 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 / plant & machinery of the company (present & future) and equitable mortgage of factory land & buildings (except fixed assets including land and building located at plot no. 80 & 81, Sector 59, Faridabad (Haryana), Plot no. 34, Sector 68, IMT, Faridabad (Haryana) and Land located at Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan)) and second pari passu charge on entire current assets of the company.

b Term loan from Citi Bank N.A. is secured by first charge on immovable property and movable fixed assets located at plot No. 80 and 81, Sector 59, Faridabad (Haryana) and second pari passu charge on entire current assets of the company.

c Term loan from The Hongkong and Shanghai Banking Corporation Limited is secured by first charge on entire fixed assets including plant & machinery and equitable mortgage of land and building located at plot no. 34, Sector 68, IMT Faridabad (Haryana) and second pari passu charge on entire current assets of the company.

d Foreign Currency Loan (ECB) from HSBC bank (Mauritius) Ltd. is secured by first pari passu charge on entire fixed assets of the company, including land, building and all other fixed assets i.e. Plant & Machinery, Office Equipment and Furniture & Fixtures (Present & Future), (except fixed assets including land and building located at plot no. 80 & 81, Sector 59, Faridabad (Haryana), Plot no. 34, Sector 68, IMT, Faridabad (Haryana) and Land located at Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan)) and second pari passu charge on stock and receivables of the company.

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

f Deferred payment liabilities represents assets acquired on deferred credit terms.

16. OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Security Deposit from Agent/ Others	387.60	497.55
Total	**387.60**	**497.55**

17. PROVISIONS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2019	As at 31 March, 2018	As at 31 March, 2019	As at 31 March, 2018
Provision for employee benefits				
Gratuity	142.26	111.09	21.77	19.97
Leave Encashment	106.06	99.15	12.65	12.92
Others	64.75	-	-	-
Total	**313.07**	**210.24**	**34.42**	**32.89**

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	Balance as at April 1 2018	Recognised in profit & loss	As at 31 March, 2019			
			Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,700.88	**297.14**	**-**	**1,998.02**	**1,998.02**	**-**
Provision for defined benefit plan - P&L	(44.84)	**(10.28)**	**-**	**(55.12)**	**-**	**(55.12)**
Provision for defined benefit plan - OCI	7.06	**-**	**1.02**	**8.08**	**8.08**	**-**
Provision for Bonus	(45.22)	**1.33**	**-**	**(43.89)**	**-**	**(43.89)**
Provision for doubtful debts and advances	(45.86)	**5.08**	**-**	**(40.78)**	**-**	**(40.78)**
Deferred Tax (Assets) / Liabilities	**1,572.02**	**293.27**	**1.02**	**1,866.31**	**2,006.10**	**(139.79)**

Particulars	Balance as at April 1 2017	Recognised in profit & loss	As at 31 March, 2018			
			Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,592.94	107.94	-	1,700.88	1,700.88	-
Provision for defined benefit plan - P&L	(68.17)	23.33	-	(44.84)	-	(44.84)
Provision for defined benefit plan - OCI	(7.05)	-	14.11	7.06	7.06	-
Provision for Bonus	(28.21)	(17.01)	-	(45.22)	-	(45.22)
Provision for doubtful debts and advances	(15.88)	(29.99)	-	(45.87)	-	(45.87)
Others	5.07	(5.07)	-	-	-	-
Deferred Tax (Assets) / Liabilities	**1,478.70**	**79.21**	**14.11**	**1,572.01**	**1,707.94**	**(135.93)**

18.1 Movement on the deferred tax account is as follows:

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	1,572.01	1,478.70
(Credit)/ Charge to the statement of profit and loss	293.29	79.21
(Credit)/ Charge to other comprehensive income	1.02	14.11
Balance at the end of the year	**1,866.31**	**1,572.01**

19. BORROWINGS - CURRENT

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Secured - from banks		
Cash / Export Credit Loan	4,547.48	3,223.62
Total	**4,547.48**	**3,223.62**

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 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises:	171.97	134.38
Total outstanding dues of trade payables and acceptances other than above	5,381.84	4,228.07
	5,553.81	**4,362.45**

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 2019	As at 31 March 2018
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	171.97	131.82
	- Interest due	-	2.56
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 2019	As at 31 March 2018
Current maturities of long-term borrowings (Refer note no. 15)	2,386.83	2,151.15
Interest accrued but not due on borrowings	6.40	2.01
Interest accrued and due on borrowings / Security deposits	39.41	49.56
Unpaid dividends	22.55	14.56
Other payables		
Employees related liabilities	1,489.27	1,334.98
Liability on account of outstanding forward contracts	-	45.01
Payables for capital goods	71.90	223.55
Others	40.50	40.50
Total	**4,056.86**	**3,861.32**

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 2019	As at 31 March 2018
Advance from customers	341.73	388.59
Other payables		
Statutory dues	424.08	368.90
Others	51.80	20.09
Total	**817.61**	**777.58**

23. CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Tax (Net of Prepaid Tax of ₹ 2,741.05 Lacs)	348.99	-
Total	**348.99**	**-**

24. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products		
Manufactured goods	58,326.49	50,393.33
Traded Goods	774.40	467.83
Other operating revenues		
Export Incentives	1,665.22	1,198.89
Sale of scrap	235.08	107.74
Others	81.34	-
Total	**61,082.53**	**52,167.79**

The Disclosures as required by Ind-AS 115 are as under :

(₹ in Lacs)

Particulars	Year ended March 31, 2019
The Company disaggregates revenue based on nature of products/geography as under :	
Revenue based on Geography	
Sales	
Domestic	16,397.89
Export	40,367.13
Sales related to foreign Subsidiaries	2,335.87
Other operating revenue	
Domestic-Export incentives and Scarp	1,822.69
Scrap Sales related to foreign subsidiaries	77.61
Exports	81.34
	61,082.53
Revenue based on Nature of Products	
Medical Devices	59,100.89
Export incentives	1,665.22
Scrap	235.08
Development Charges	81.34
	61,082.53

Reconciliation of Revenue	Year ended March 31, 2019
Gross value of contract price	59,434.08
Less : Variable components i.e.,Rebate & discount	333.19
Other operating revenue	1,981.64
Revenue from operations as recognised in financial statements	**61,082.53**

Reconciliation of Advance received from Customers-Contract Liabilities	Year ended March 31, 2019
Balance at the beginning of the year	388.59
Less : Revenue recognised out of balance of advance received from customer at beginning of year	371.11
Add : Advance received during the year from customers for which performance obligation is not satisfied and shall be recognised as revenue in next year	324.25
Balance at the end of the year	**341.73**

The Company have orders in hand as at 31st March 2019 for ₹ 3022.28 lacs, for which performance obligation amounting to ₹ 3022.28 lacs will be recognised as revenue during the next reporting year.

25. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest Income		
Interest Income on Fixed and other Deposits	349.47	150.76
Interest Income on Income Tax Refund	-	48.43
Interest Income from Financial Assets Measured at Amortised Cost	3.43	2.95
Dividend/ Governing Council Share	155.31	-

Other non-operating income		
Rental Income from Investment Property	8.91	6.07
Government Grants and Subsidies	80.55	53.95
Income from Mutual Funds	25.76	-
Miscellaneous Income	276.27	79.12
Other Gain		
Provisions / Liabilities no longer required written back (net)	153.58	6.19
Gain on fixed assets sold/discarded	78.40	4.12
Gain on Foreign Exchange Fluctuation (net)	678.33	1,042.60
Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	16.70	43.39
Total	**1,826.71**	**1,437.58**

26. COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Raw Material Consumed		
Inventory at the beginning of the year	2,844.17	3,001.13
Add: Purchases during the year	15,045.90	12,913.71
Less: Inventory at the end of the year	2,778.70	2,844.17
Cost of raw material consumed (A)	**15,111.37**	**13,070.67**
Packing Material Consumed		
Inventory at the beginning of the year	766.54	709.10
Add: Purchases during the year	4,241.62	4,098.81
Less: Inventory at the end of the year	627.52	766.54
Cost of packing material consumed (B)	**4,380.64**	**4,041.37**
Total (A+B)	**19,492.01**	**17,112.04**

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

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Addition in opening balance on account of subsidiary company added during the year	Year ended 31 March 2018	(Increase)/ Decrease
Inventories at the end of year				
Finished Goods and Stock in Trade	1,207.36		1,093.66	(113.70)
Work in progress	2,529.07		1,707.00	(822.07)
Addition on account of inventory of new subsidiary company (Consolidated)	-	855.74		855.74
	3,736.43	**855.74**	**2,800.66**	**(80.03)**
Inventories at the beginning of year				
Finished Goods and Stock in Trade	1,093.66		766.06	(327.60)
Work in progress	1,707.00		990.31	(716.69)
	2,800.66	**-**	**1,756.37**	**(1,044.29)**

28. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	10,773.87	9,085.70
Contribution to Provident Fund and others	738.13	668.87
Share based payment to employees	18.69	18.01
Staff Welfare Expenses	130.02	140.01
Total	**11,660.71**	**9,912.59**

29. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	681.80	641.09
Employee benefits expenses	274.94	313.55
Power and Fuel	44.76	32.88
Travelling & Conveyance	3.89	8.50
Other Misc Expenses	9.51	8.76
Total Revenue Expenses	**1,014.90**	**1,004.78**
Capital Expenditure	**22.30**	**240.64**
Total amount spent on Research and Development	**1,037.20**	**1,245.42**

30. FINANCE COST

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense		
Interest on loans	1,171.38	919.15
Interest on Income Tax	7.17	3.39
Exchange difference to the extent considered as an adjustment to interest costs	(21.37)	58.00
Others		
Other amortised borrowing costs	17.88	15.94
Total	**1,175.06**	**996.48**

31. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of tangible assets	3,535.86	2,738.82
Amortisation of intangible assets	187.36	181.42
Depreciation of investment properties	6.00	4.16
	3,729.22	**2,924.40**

32. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spare parts	1,428.96	1,154.56
Power and Fuel	2,453.96	1,904.36
Job Work Charges	4,804.38	4,867.92
Other Manufacturing Expenses	109.70	67.82
Repairs to Building	49.57	54.93
Repairs to Machinery	101.33	72.02
Repairs to Others	48.23	34.81
Insurance (Net)	168.20	177.35
Rent	228.30	167.68
Rates, Taxes & Fee	130.97	112.44
Travelling & Conveyance	898.86	679.90
Legal & Professional Fees	1,375.19	902.92
Auditors' Remuneration	24.85	19.98
Commission and Sitting Fees to Non-Executive Directors	60.25	61.56
Donations	99.51	72.55
Bank Charges	178.18	161.42
Advertisement	4.62	3.10
Commission on sales	471.67	353.21
Freight & Forwarding (Net)	444.54	505.61
Business Promotion	447.14	271.19
Exhibition Expenses	249.91	147.16
Rebate, Discounts & Claims	67.82	117.42
Provision for Doubt ful debts / Advances	-	85.36
Bad debts / Misc. Balances written off	32.66	0.68
CSR Expenditure	153.83	183.59
Other Miscellaneous Expenses	562.76	405.35
Total	**14,595.39**	**12,584.89**

Payment to Auditors	Year ended 31 March 2019	Year ended 31 March 2018
Audit Fee	13.06	12.10
Tax Audit Fee	1.25	1.25
Limited Review of Results	3.00	2.50
In other capacity		
(a) For certification work	3.00	2.83
(b) For Others	2.50	-
Reimbursement of expenses	2.04	1.30
Total	**24.85**	**19.98**

33. TAX EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Tax expenses comprises of:		
Current tax	3,085.58	2,536.55
Earlier year tax adjustment (net)	88.70	-
Deferred tax	293.27	79.21
Total	**3,467.55**	**2,615.76**

Reconciliation of tax expenses and accounting profit multiplied by Indian tax rate	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax and share of profit from associates	9,867.57	9,551.12
Applicable tax rate	34.94%	34.61%
Tax at the Indian tax rate of 34.944% (Previous year 34.61%) and special rate of 11.648%(PY -Nil)	**3,442.12**	**3,305.45**
Tax adjustment on account of loss of subsidiary company on consolidation	110.22	29.23
Adjustment of expenses disallowed under income tax	109.80	141.75
Adjustment of expenses allowable under income tax	(419.79)	(639.09)
Other allowable deduction (including Ind As adjustment)	(159.14)	(300.80)
Current Tax (Normal Rate)	**3,083.22**	**2,536.55**
Additional Current Tax due to Special Rate	2.36	-
Current Tax (A)	**3,085.58**	**2,536.55**
Incremental Deferred tax Liability on timing Differences (Net)	293.27	79.21
Deferred Tax (B)	**293.27**	**79.21**
Tax expenses for earlier year (net) (C)	**88.70**	**-**
Tax expenses recognised in the statement of profit and loss (A+B+C)	**3,467.55**	**2,615.76**
Effective tax rate	35.14%	27.39%

POLY MEDICURE LIMITED
Notes to Consolidated Financial Statements for the year ended March 31, 2019

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 2019 were approved and authorized for issue by the Board of directors in their meeting held on 10th May 2019

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.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relates to Poly Medicure Limited ('the Company') and its subsidiary companies 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, 2019	Financial year ends on
Subsidiary			
Poly Medicure (Laiyang) Company Limited, China - Audited	China	100%	31-Mar-19
Polymed BV, Netherlands - Management certified (Consolidated)	Netherlands	100%	31-Mar-19
Associates			
Ultra For Medical Products Company (Ultra Med), Egypt - Audited	Egypt	23%	31-Dec-18

The Investment in US safety Syringes Co. LLC have been written off during the year, hence not consolidated.

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 liabilty 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 software as 10 years 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 recognisition 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 transalation 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. Effective 01.04.2018, the company has followed Ind-AS 115. 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:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor effectively retains substantally all rights and benefits of ownership of the leased assets are classified as operating lease. Lease payments under operating leases are recognised as an expense in the statement of Profit & Loss on straight line basis.

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 judgements, 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.

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 Fair value measurement of financial instruments:
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 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 judgement 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.

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	31-03-2019						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	503.38	-	-	503.38	-	-	-
In Fixed Maturity Plans	224.04	224.04	-	-	-	224.04	-
In Liquid Mutual Funds	26.76	26.76	-	-	-	26.76	-
Trade receivables	12,838.26	-	-	12,838.26	-	-	-
Cash & cash equivalents	431.76	-	-	431.76	-	-	-
Other bank balances	5,027.60	-	-	5,027.60	-	-	-
Loans	22.78	-	-	22.78	-	-	-
Other financial assets	1,666.00	112.07	-	1,553.93	-	112.07	-
Total financial assets	**20,740.58**	**362.87**	**-**	**20,377.71**	**-**	**362.87**	**-**
Financial liabilities							
Borrowings	13,685.46	-	-	13,685.46	-	-	-
Trade payables	5,553.81	-	-	5,553.81	-	-	-
Other financial liabilities	4,444.47	-	-	4,444.47	-	-	-
Total financial liabilities	**23,683.74**	**-**	**-**	**23,683.74**	**-**	**-**	**-**

(₹ in Lacs)

Particulars	31-03-2018						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	469.92	-	-	469.92	-	-	-
In Fixed Maturity Plans	209.02	209.02				209.02	
In Liquid Mutual Funds	1,061.81	1,061.81				1,061.81	
Trade receivables	11,254.32	-	-	11,254.32	-	-	-
Cash & cash equivalents	370.08	-	-	370.08	-	-	-
Other bank balances	1,668.60	-	-	1,668.60	-	-	-
Loans	15.76	-	-	15.76	-	-	-
Other financial assets	795.94	-	-	795.94	-	-	-
Total financial assets	**15,845.45**	**1,270.83**	**-**	**14,574.62**	**-**	**1,270.83**	**-**
Financial liabilities							
Borrowings	11,135.20	-	-	11,135.20	-	-	-
Trade payables	4,362.45	-	-	4,362.45	-	-	-
Other financial liabilities	4,358.87	45.01	-	4,313.86	-	45.01	-
Total financial liabilities	**19,856.52**	**45.01**	**-**	**19,811.51**	**-**	**45.01**	**-**

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 2019	Year ended 31 March 2018
a	**Contingent liabilities not provided for:**		
	Show Cause notices from excise department (Amount paid ₹ 2.94 lacs, Previous Year ₹ 2.94 lacs)	58.78	58.78
	Claim against the company not acknoweldged as debt	-	5.87
	Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
	Bonus for the year 2014-15 payable under payment of Bonus (Amendment) Act 2015, stayed by Punjab and Haryana High Court vide order dated 08.04.2016.	119.55	119.55
	Demand from National Pharmaceutical Pricing Authority (Net)	76.88	-
b	**Obligations and commitments outstanding:**		
	Unexpired letters of credit ₹ 743.67 lacs (Previous year ₹ 411.19 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 759.41 lacs (Previous year ₹ 678.36 lacs), (Net of margins)	1,503.08	1,089.55
	Bills discounted but not matured	1,008.66	1,688.63
	Custom duty against import under EPCG Scheme	1,074.52	1,219.33
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	2,295.56	1,726.23

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 maturity plan and also 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.

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 2017	7.09	31.09	7.71
Change In loss allowance	5.73	2.55	77.08
Loss Allowance as on 31 March 2018	12.82	33.64	84.79
Change In loss allowance	(3.04)	(3.80)	(7.71)
Loss Allowance as on 31 March 2019	**9.78**	**29.84**	**77.08**

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 2019	As at 31 March 2018
Variable rate borrowing	5,401.09	2,342.75
Fixed rate borrowing	10,671.20	10,943.60
Total	**16,072.29**	**13,286.35**

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 2019	31 March 2018
Interest rate- increase by 50 basis point	27.01	11.71
Interest rate- decrease by 50 basis point	(27.01)	(11.71)

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 fixed maturity plan, 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 2019	As at 31 March 2018
The company has working capital funds which Includes		
Cash and cash equivalent	431.76	370.08
Current investments in liquid mutual funds	26.76	1,061.81
Bank balances	5,027.60	1,668.60
Trade receivable	12,838.26	11,254.32
Total	**18,324.38**	**14,354.81**

Besides above, the company had access to the following undrawn facilities at the end of reporting period:

(₹ in Lacs)

Particulars	At at 31 March 2019	As at 31 March 2018
Fixed		
Cash credit and other facilities	2,952.52	3,817.81
Variable		
Other facilities	-	-

Contractual maturities of significant financial liabilities are as under :

Maturity of financial liability

(₹ in Lacs)

Particulars	Less than and equal to 1 year	More than 1 year	Total
As at 31 March 2019			
Trade payable	5,553.81	-	5,553.81
Other Financial liabilities	8,604.34	9,525.57	18,129.91
Total	**14,158.15**	**9,525.57**	**23,683.72**
As at 31 March 2018			
Trade payable	4,362.45	-	4,362.45
Other Financial liabilities	7,084.94	8,409.13	15,494.07
Total	**11,447.39**	**8,409.13**	**19,856.52**

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.

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 31-03-2019		As at 31-03-2018	
			FC	INR	FC	INR
Forward Contracts	Sell	USD:INR	54.03	3,736.31	86.28	5,622.95
		EURO:INR	6.00	466.01	33.30	2,671.30
		GBP:INR	-	-	9.00	822.74
	Buy	EURO:INR	0.39	30.60	-	-
		JPY:INR	73.02	45.57	-	-

(ii) Particulars of Unhedged Foreign Currency Exposure as at reporting date (Net exposure to Foreign Currency Risk)

(in Lacs)

Particulars	Currency	As at 31-03-2019		As at 31-03-2018	
		FC	INR	FC	INR
Receivable / (Payable)	USD:INR	21.78	1,506.05	(22.82)	(1,487.43)
	EURO:INR	(36.56)	(2,839.78)	(15.84)	(1,271.21)
	USD:INR	(18.49)	(1,278.79)	-	-
	EURO:INR	3.59	279.07	-	-
	GBP:INR	2.69	243.34	(7.66)	(700.66)
	CAD:INR	-	-	-	0.04
	LE.:INR	9.44	37.78	2.01	7.38
	SEK:INR	0.09	0.68	0.09	0.73
	JPY:INR	-	-	(276.02)	(169.26)
	AUD:INR	-	-	(0.24)	(12.27)
	SGD:INR	0.03	1.54	(0.01)	(0.66)

(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 31-03-2019	As at 31-03-2018
Not later than 3 months	Sell	USD:INR	1,385.21	1,712.75
		EURO:INR	-	745.81
		GBP:INR	-	274.25
	Buy	EURO:INR	30.60	-
		JPY:INR	45.57	-
Later than 3 months and not later than 6 months	Sell	USD:INR	1,210.13	1,205.64
		EURO:INR	155.34	882.52
		GBP:INR	-	274.25
Later than 6 month & not later than one year	Sell	USD:INR	1,140.98	2,704.56
		EURO:INR	310.68	1,042.98
		GBP:INR	-	274.25

(iv) The mark to market gain or loss on foreign currency are as under: -

(₹ in Lacs)

Particulars	For the year ended	
	31 March 2019	31 March 2018
Mark to market loss / (Gain) accounted for (Net)	(157.08)	282.44

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 fixed maturity plan, 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 2019	31 March 2018
Gross borrowings	16,072.29	13,286.35
Less: cash and cash equivalents	431.76	370.08
Adjusted net debt	15,640.53	12,916.27
Total Equity	38,137.02	33,829.54
Adjusted net debt to equity	41.01%	38.18%

The company's total owned funds of ₹ 38,137.02 Lacs with ₹ 15,640.53 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 2019	**31 March 2018**
Dividend recognised in the financial statements		
Final dividend for year ended 31-Mar-18 of ₹ 2 per equity share (31-Mar-17 ₹ 0.50)	1,764.54	441.13
Dividend tax	362.71	89.80
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 per equity share (PY ₹ 2 per equity share)		

This proposed 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 ₹ 2127.57 Lacs (including dividend distribution tax of ₹ 362.83 Lacs).

38 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

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

1 Mr. Himanshu Baid (Managing Director)

2 Mr. Rishi Baid (Executive 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)

c Relatives of Key Management Personnel

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

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

3 Mrs. Mukulika Baid (Director- relative of MD and ED)

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

1 Vitromed Healthcare

2 Jai Polypan Pvt. Ltd.

3 Stilocraft

4 Polycure Martech Ltd.

B Transactions with related parties

(₹ in Lacs)

Particulars	Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Sales of Goods	**869.99**	**888.07**			**1,642.80**	**1,986.35**
Ultra for Medical Products Egypt	869.99	888.07				
Vitromed Healthcare					1,642.80	1,986.35
Purchases of Goods	**-**	**-**			**-**	**3.85**
Vitromed Healthcare						3.85
Job work					**4,405.30**	**4,515.91**
Vitromed Health Care					4,405.30	4,515.91
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
Dividend/ Governing Council Share Received	**155.31**	**-**				
Ultra for Medical Products, Egypt	155.31	-				
Directors / Key Managerial Personnels' Remuneration including commission			**937.54**	**870.59**		
Mr. Himanshu Baid			443.01	414.25		
Mr. Rishi Baid			432.69	407.28		
Mr. J. K. Oswal			52.72	41.59		
Mr. Avinash Chandra			9.12	7.47		
Defined benefit obligations			**15.20**	**2.32**		
Mr. Himanshu Baid			6.81	1.67		
Mr. Rishi Baid			7.78	0.06		
Mr. J. K. Oswal			0.54	0.54		
Mr. Avinash Chandra			0.07	0.05		
Share based payment			**0.93**	**1.32**		
Mr. J. K. Oswal			0.93	1.32		
Salary and perquisites			**53.04**	**47.39**		
Mr. Vishal Baid			53.04	47.39		
Commission and Sitting fees			**60.25**	**59.75**		
Mr. J. K. Baid			9.75	9.75		
Mrs. Mukulika Baid			9.75	9.50		
Mr. Devendra Raj Mehta			11.00	10.00		
Mr. Prakash Chand Surana			9.25	11.00		
Mr. Shailendra Raj Mehta			10.75	10.50		
Dr. Sandeep Bhargava			9.75	9.00		
Management Fee			**141.84**	**-**		
Mr. Alessandro Balboni			141.84	-		

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	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Dividend/Share Governing Council outstanding	37.78	7.36				
Ultra for Medical Devices	37.78	7.36				
Directors' Remuneration / Salary payable			399.70	361.48		
Mr. Himanshu Baid			196.19	178.40		
Mr. Rishi Baid			197.68	178.18		
Mr. Vishal Baid			2.43	2.36		
Mr. J. K. Oswal			2.84	2.04		
Mr. Avinash Chandra			0.56	0.50		
Commission Payable			**40.50**	**40.50**		
Mr. J. K. Baid			6.75	6.75		
Mrs. Mukulika Baid			6.75	6.75		
Mr. Devendra Raj Mehta			6.75	6.75		
Mr. Prakash Chand Surana			6.75	6.75		
Mr. Shailendra Raj Mehta			6.75	6.75		
Dr. Sandeep Bhargava			6.75	6.75		
Management Fee & Others Payable			**16.71**			
Mr. Alessandro Balboni			16.71			
Trade Receivable	**623.61**	**567.76**			**71.05**	**65.01**
Vitromed Healthcare					71.05	65.01
Ultra for Medical Products	623.61	567.76			-	-
Trade Payable / Payable for capital goods	**-**	**-**			**420.06**	**403.27**
Vitromed Healthcare					420.06	403.27

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Net profit after tax available for equity share holders (₹ In lacs)	6,539.91	7,059.39
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	8,82,36,930	8,82,26,880
Basic Earnings per Share (in ₹)	7.41	8.00
Diluted Earnings per Share		
Weighted Average no. shares outstanding during the year	8,82,36,930	8,82,26,880
Effect of dilutive issue of stock options	10,050	20,550
Weighted Average no. shares outstanding for diluted EPS	8,82,46,980	8,82,47,430
Diluted Earnings per Share (in ₹)	7.41	8.00

40 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 2019	**31 March 2018**
Employers' contribution to provident fund * #	407.42	403.52

* 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 ₹ 8.37 lacs (PY ₹ 8.38 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 acturial 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 2019	**31 March 2018**
Obligations at year beginning	**268.28**	**260.83**
Service Cost - Current	50.89	45.29
Service Cost - Past	-	1.91
Interest expenses	20.47	19.17
Acturial (gain) / Loss on PBO	(3.70)	(36.78)
Benefit payments	(14.36)	(22.14)
Addition due to transfer of employee	-	-
Obligations at year end	**321.58**	**268.28**

(ii) Change in plan assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	**31 March 2018**
Fair value of plan assets at the beginning of the period	**137.22**	**5.00**
Actual return on plan assets	10.50	4.72
Less- FMC Charges	(0.81)	(0.36)
Employer contribution	25.00	150.00
Benefits paid	(14.36)	(22.14)
Fair value of plan assets at the end of the period	**157.55**	**137.22**

(iii) Assets and Liabilities recognized in the Balance Sheet

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Present Value of the defined benefit obligations	321.58	268.28
Fair value of the plan assets	157.55	137.22
Amount recognized as Liability	**164.03**	**131.06**

(iv) Defined benefit obligations cost for the year:

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Service Cost - Current	50.89	45.29
Service Cost - Past	-	1.91
Interest Cost	10.00	18.79
Expected return on plan assets	-	-
Actuarial (gain) loss	-	-
Net defined benefit obligations cost	**60.89**	**65.99**

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	3.70	36.78
Actuarial gain /(loss) for the year on Asset	(0.79)	3.99
Unrecognized actuarial gain/(loss) for the year	2.90	40.77

(vi) Investment details of Plan Assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
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 2019	31 March 2018
Discount Rate per annum	7.65%	7.80%
Future salary increases	5.50%	5.50%

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 2019	31 March 2018
i)	Retirement Age (Years)	60.00	60.00
ii)	Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
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				
	31-03-2019	31-03-2018	31-03-2017	31-03-2016	31-03-2015
Defined benefit obligations	321.58	268.28	260.83	194.65	152.54
Plan assets	(157.55)	(137.22)	(5.00)	-	-
Deficit /(Surplus)	164.03	131.06	255.83	194.65	152.54

(x) Expected Contribution to the Fund in the next year

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Service Cost	64.39	60.17
Net Interest Cost	12.55	10.23
Expected contribution for next annual reporting perod	76.94	70.40

(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		
	31-03-2019	31-03-2018	Impact	31-03-2019	31-03-2018	Impact	31-03-2019	31-03-2018
Discount Rate per annum	0.50%	0.50%	Decrease by	(20.50)	(17.28)	Increase by	22.60	19.08
Future salary increases	0.50%	0.50%	Increase by	22.97	18.16	Decrease by	(21.00)	(16.59)

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	21.77
b	1 to 2 Year	4.72
c	2 to 3 Year	4.88
d	3 to 4 Year	5.00
e	4 to 5 Year	5.75
f	5 to 6 Year	8.27
g	6 Year onwards	271.21

(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 ₹ 118.71 lacs form part of long term provision ₹ 106.06 Lacs (PY ₹ 99.15 Lacs) and short term provision ₹ 12.65 Lacs (PY ₹ 12.92 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

41 Borrowing cost of ₹ Nil (Previous Year ₹ 8.79 Lacs) have been included in capital work in progress.

42 SEGMENT INFORMATION:

Description of segment and principal activity. The group 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.

<u>Information about Geographical areas</u>

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 2019	31 March 2018
Medical Devices	59,100.89	50,861.16
Total	**59,100.89**	**50,861.16**

ii) Revenue as per geographical area (Ind AS 108, Para 33 (a))

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
With in India	16,397.89	12,638.31
Outside India	42,703.00	38,222.87
Total	**59,100.89**	**50,861.16**

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, investment) located outside India are as under:

(₹ in Lacs)

Country where assets are located	Year ended	
	31 March 2019	31 March 2018
China	487.50	570.55
Netherlands	1.14	-
Italy	162.33	-
Total	**650.97**	**570.55**

iv) None of the customers of the Group individually account for 10% or more sale.

43 LEASES :

Operating leases

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

ii) Lease rental expenses in respect of operating leases: ₹ 158.20 Lacs (Previous Year ₹ 134.27 Lacs).

iii) The future minimum lease payments as at 31st March 2019 are as follows:

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Payable not later than one year	158.83	136.08
Payable later than one year and not later than five year	116.28	163.16
Total	**275.11**	**299.24**

44 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of expenditure incurred on CSR are as under:

(₹ in Lacs)

S. No.	Particulars	Year ended	
		31 March 2019	31 March 2018
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	160.09	146.00
b	Amount spent during the year on :		
	i Construction / acquisition of any assets	-	-
	ii On purposes other than (i) above	153.83	183.59
c	Unspent amount in CSR	6.26	-
d	The breakup of expenses included in amount spent are as under:		

Particulars		
Animal protection	23.79	16.36
On fooding	3.11	3.60
On promoting education	85.77	105.52
Social welfare	14.73	2.00
Welfare for disabled persons	15.92	38.02
Promoting gender equality & empower women	-	0.24
On promotion of healthcare	10.51	17.86

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 expire at the end of 3 months from the date of such vesting or such extended period.

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. No option under the said scheme has yet been granted.

a Details of employees stock options granted from 1st April 2016 to 31st March 2019.

Financial Year	Number	Exercise price	Fair value at grant date
(Year of Grant)			
2016-17	23500	50	350
2017-18	Nil	-	-
2018-19	Nil	-	-

b 20100 (Net of lapses/forfeiture) No. of Shares got vested during the year ended 31st March 2019. However, 10050 shares were exercised and the balance 10050 equity shares are yet to be exercised.

c Movement of share options during the year

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number of share options	Exercise Price	Number of share options	Exercise Price
Balance at the beginning of the year	20,550	50	21,250	50
Granted during the year	-	-	-	-
Forfeited during the year	450	50	700	50
Exercised during the year	10,050	-	-	-
Expired / Lapsed during the year	-	-	-	-
Balance Options to be exercised at the end of the year	10,050	50	20,550	50

d Compensation expenses arising on account of share based payments

(₹ in Lacs)

Particulars	Year ended	
	31 March 2019	31 March 2018
Share based payment expenses to employees	18.69	18.01
Total	**18.69**	**18.01**

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

a Exercise price - ₹ 50

b Grant date - 2nd June 2016

c Vesting year - Financial Year 2018-2019

d Share price at grant date - ₹ 350

e Expected price volatility of the company share - 20% to 25%

f Expected dividend yield - 1.18%

g Risk free interest rate - 6.50%

The expected price volatility is based on the historic volatility.

46. Additional Information Pursuant to Schedule III of the Companies Act 2013:

(₹ in Lacs)

Particulars	Net Assets		Share in profit	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount
Subsidiary Companies				
Poly Medicure (Laiyang) Co. Ltd, China	0.83%	317.72	-2.34%	(153.04)
Polymed BV, Netherlands, (Consolidated)	8.70%	3,316.79	-1.15%	(75.31)
Associate Company				
Ultra for Medical Products, Egypt	-	-	2.14%	139.88

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 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 results of Poly Medicure BV have been consolidated in the consolidated financial statements. Goodwill amounting to ₹ 2858.11 Lacs have been created on consolidation. No impairment in the value of goodwill on consolidation has been made, as in the opinion of the management, based on business plan/future cash flow of the step subsidiary company, no impairment is necessiated. Since the consolidated financial results of Poly Medicure BV have been consolidated for the first time, previous year figures are not strictly comparable with the current year figures.

48. Standards issued and amended but not effective

The Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules have notified following new and amendments to Ind AS which the Company have not applied as they are effective from 1st April, 2019.

Ind AS 12 Income tax (amendments relating to income tax consequences of dividend and uncertainty over other income tax treatments):
The Company does not expect any significant impact of this amendment in financial statements.

Ind AS 19 Plan amendment, curtailment or settlement:
The Company does not expect this amendment to have any impact on its financial statements

Ind AS 23 Borrowing Cost:
The amendment clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of fund that an entity generally borrows when calculating capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 Long term interest in associates and joint ventures:
The Company does not currently have any long term interest in joint ventures.

Ind AS 103 Business combinations and Ind AS 111 joint arrangements:
The Company will apply the pronouncements if and when it obtains control/ joint control of a business that is joint operation.

Ind AS 109 Prepayment features with negative compensation:
The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 116 will replace existing lease standard Ind AS 17 Leases:
Ind AS 116 sets out the principles for recognition measurement, presentation and disclosure of leases for both lessor and lessee.

49. Events after the reporting date

Dividends declared by the company are based on the profits available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable dividend distribution tax. On 10th May 2019, the Board of directors have proposed a final dividend of ₹ 2/- per share in respect of the year ended March 31 2019 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 ₹ 2127.57 Lacs, inclusive of corporate dividend tax of ₹ 362.83 Lacs.

50. Previous year figures have been re-grouped and re-arranged wherever necessary to conform to current year classification.

As per our report of even date annexed
For DOOGAR & ASSOCIATES (Reg No.000561N)
Chartered Accountants
M. S. Agarwal
Partner
Membership No. 86580

Place : New Delhi
Date : 10.05.2019

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

(₹ in Lacs)

1.	Sl. No.	1	2
2.	Name of the subsidiary	Poly Medicure (Laiyang) Co. Ltd., China	US Safety Syringes Co. LLC, USA
3	Reporting period for the subsidiary concerned	31st March 2019	31st March 2019
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	CNY 1 CNY = 10.3036 INR	EURO 1 EURO = 77.67 INR
5	Share capital	804.67	976.51
6	Reserves & surplus	(486.96)	2,340.28
7	Total assets	1,058.37	4,512.91
8	Total Liabilities	740.66	1,196.12
9	Investments	-	-
10	Turnover	1,098.90	1,350.05
11	Other Income	3.83	238.90
12	Profit (Loss) before taxation	(153.04)	(28.55)
13	Provision for taxation	-	46.76
14	Profit (Loss) after taxation	(153.04)	(75.31)
15	Proposed Dividend	-	-
16	% of shareholding	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 2018
Shares of Associate held by the company on the year end	
No.	73,600
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	472.69
Profit for the year	
Considered in Consolidation	139.88
Not Considered in Consolidation	520.29

NCUI AUDITORIUM
SIRI FORT ROAD, NEW DELHI

NOTES

Form No. MGT-11
PROXY FORM

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

CIN: L40300DL1995PLC066923
Name of the Company : Poly Medicure Limited
Registered Office : 232-B, IIIrd Floor, Okhla Industrial Estate, Phase-III, New Delhi- 110020

Name of the member(s) : ....

Registered address : ....

E-mail Id :..

Folio No/ Client Id :.. DP ID : ....

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

1. Name : ....

   Address : ....

   E-mail Id : ....

   Signature :.. , or failing him / he

2. Name : ....

   Address : ....

   E-mail Id : ....

   Signature :.. , or failing him / her

3. Name : ....

   Address : ....

   E-mail Id : ....

   Signature :.. , or failing him / her as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Monday, the 23rd day of September, 2019 at 10:00 a.m. at Alpha Hall, 2nd Floor, National Co-operative Union of India, 3, Siri Institutional Area, August Kranti Marg, New Delhi- 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
1.	Adoption of Audited Financial Statement of the Company for the financial year ended March 31, 2019 together with, the reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2019 together with the report of Auditors thereon.
2.	To Declare dividend on the equity shares for the financial year ended March 31, 2019.
3.	Appointment of Director in place of Smt. Mukulika Baid, who retires by rotation and is eligible for re-appointment.
4.	Appointment of M/s. M. C. Bhandari & Company, Chartered Accountants (Firm Registration No. 303002E) be appointed as Statutory Auditors of the Company, to hold office from the conclusion of 24th Annual General Meeting until the conclusion of the 29th Annual General Meeting of the Company.
5.	To appoint Shri Devendra Raj Mehta (DIN: 01067895) as an Independent Director.
6.	To appoint Shri Prakash Chand Surana (DIN: 00361485) as an Independent Director.
7.	To appoint Dr. Shailendra Raj Mehta (DIN: 02132246) as an Independent Director
8.	To appoint Shri Sandeep Bhargava (DIN: 07736003) as an Independent Director
9.	To-re-appoint Shri Himanshu Baid (DIN: 00014008) as Managing Director for a period of 5 (Five) years with effect from 1st August, 2019
10.	To re-appoint Shri Rishi Baid (DIN: 00048585) as Joint Managing Director for a period of 5 (Five) years with effect from 1st August, 2019.
11.	To re-appoint Shri Vishal Baid as President (Sales and Marketing) for a period of 3 (Three) years with effect from 01st April, 2019.
12.	To approve payment of remuneration to Non-Executive Directors.
13.	Ratification of Remuneration to M/s. Jai Prakash & Company, Cost Accountants appointed as Cost Auditors of the Company for the Financial Year 2019-20.

₹ 1
Revenue
Stamp

Signed this .... day of 2019

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

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

POLYMED
MEDICAL DEVICES
We Care As We Cure

If undelivered, please return to:

POLY MEDICURE LIMITED

Registered Office :

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

Tel: +91-11-33550700, 26321838 / 99 / 89 / 93 / 81 Fax: +91-11-26321894/39

E-mail: investorcare@polymedicure Web: www.polymedicure.com

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)