IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

THIS OFFERING OF THE SECURITIES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(SS) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").

IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following before continuing. The following applies to the pre-numbered placement document of Poly Medicure Limited (the "**Company**") dated February 18, 2021 in relation to the proposed qualified institutions placement of equity shares by the Company filed with BSE Limited and National Stock Exchange of India Limited (the "**Stock Exchanges**") (such document, the "**Placement Document**") attached to this e-mail, and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached Placement Document. In accessing the Placement Document, you agree to be bound by the following terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access. The information in the Placement Document is confidential and subject to updation, completion, revision, verification, amendment and change without notice. None of ICICI Securities Limited and JM Financial Limited (the "**Book Running Lead Managers**") or any person who controls any of them or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Placement Document or their respective contents or otherwise arising in connection therewith. **You acknowledge that the Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person.**

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of any manufacturer's product approval process, the target market assessment in respect of the Equity Shares has led to the conclusion that: (i) the target market for the Equity Shares is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Equity Shares to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Equity Shares (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Equity Shares (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PLACEMENT DOCUMENT INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES, UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE SECTION TITLED "RISK FACTORS" AS WELL AS INFORMATION CONTAINED ELSEWHERE IN THE ATTACHED PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES

EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS WHO ARE “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”)) (“**U.S. QIB(S)**”) PURSUANT TO SECTION 4(A)(2) OR ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT; FOR AVOIDANCE OF DOUBT, THE TERM U.S. QIBS DOES NOT REFER TO A CATEGORY OF INSTITUTIONAL INVESTORS DEFINED UNDER APPLICABLE INDIAN REGULATIONS AND REFERRED TO IN THIS PLACEMENT DOCUMENT AS “QIBS” AND (B) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE UPON REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”) AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES ARE MADE.

FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE EQUITY SHARES OF THE COMPANY AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT, SEE “SELLING RESTRICTIONS”, “NOTICE TO INVESTORS”, AND “TRANSFER RESTRICTIONS”. THE ATTACHED PRE-NUMBERED PLACEMENT DOCUMENT MAY NOT BE FORWARDED, DOWNLOADED, DELIVERED OR DISTRIBUTED, IN WHOLE OR IN PART, ELECTRONICALLY OR OTHERWISE TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE EQUITY SHARES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT.

This Issue and the distribution of this Placement Document is being done in reliance on Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, as amended and the rules framed thereunder. This Placement Document is personal to each prospective investor and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors.

Confirmation of your Representation: You are accessing the attached Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to ICICI Securities Limited and JM Financial Limited (the “**Book Running Lead Managers**”) that: (1) (i) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and to the extent that you purchase the securities described in the attached Placement Document, you will be doing so pursuant to Regulation S or (ii) you are, or are acting on behalf of, a “qualified institutional buyer” (as defined in Rule 144A) pursuant to Section 4(a)(2) of the Securities Act; (2) the securities offered hereby have not been registered under the Securities Act; (3) that you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission.; (4) you are a “Qualified Institutional Buyer” as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (5) you are aware that your name has been included in the Placement Document as proposed allottees along with the number of Equity Shares proposed to be Allotted to you and the percentage of your post issue shareholding in the Company and you consent to such disclosure; (6) you are aware that if you, together with any other Qualified Institutional Buyers belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose your name, along with the name of such other Allottees and the number of Equity Shares Allotted to you and to such other Allottees, on the website of the Stock Exchanges, and you consent to such disclosure; (7) you are aware that if you are circulated the Placement Document or are Allotted any Equity Shares in the Issue, the Company is required to disclose details such as your name, address, PAN, email-id and the number of Equity Shares Allotted along with other relevant information as may be required, to the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi, and you consent to such disclosures; and (8) that you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Book Running Lead Managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a "general solicitation" or "general advertising" (each as defined in Regulation D under the Securities Act) or "directed selling efforts" (as defined in Regulation S) in the United States or elsewhere. You are reminded that the attached Placement Document has been delivered to you on the basis that you are a person into whose possession the attached Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Placement Document to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or invitation or solicitation in any place where offers, invitations or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and Book Running Lead Managers or any affiliate of the Book Running Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Book Running Lead Managers or such affiliate on behalf of the Company in such jurisdiction. Further, nothing in this electronic transmission constitutes an offer or an invitation or solicitation of an offer or an offer or invitation to the public under the Companies Act, 2013, or any other applicable law, by or on behalf of either the Company or the Book Running Lead Managers to subscribe for or purchase any of the equity shares described in the attached Placement Document. The attached Placement Document has not been and will not be registered as a prospectus with any registrar of companies in India and is not and should not be construed as an offer document under the SEBI ICDR Regulations or any other applicable law. The attached Placement Document has not been and will not be reviewed or approved by any regulatory authority in India, including the Securities and Exchange Board of India, the Reserve Bank of India, any registrar of companies in India or any stock exchange in India. The attached Placement Document is not and should not be construed as an invitation, offer or sale of any securities to the public in India.

The Placement Document been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, Book Running Lead Managers or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any difference between the Placement Document distributed to you in electronic format and the hard copy version available to you on request from the Book Running Lead Managers. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. The attached Placement Document is intended only for use by the addressee named herein and may contain legally privileged and / or confidential information. If you are not the intended recipient of the attached Placement Document, you are hereby notified that any dissemination, distribution or copying of the attached Placement Document is strictly prohibited. If you have received the attached Placement Document in error, please immediately notify the sender or the Book Running Lead Managers by reply email and destroy the email received and any printouts of it.

You are reminded that no representation or warranty, expressed or implied, is made or given by or on behalf of any Book Running Lead Managers named herein, nor any person who controls them or any director, officer, employee or agent of them, or affiliate or associate of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this document and such persons do not accept responsibility or liability for any such information or opinions.

Actions That You May Not Take: You should not reply by e-mail to this announcement, and you may not purchase any of the equity shares described in the attached pre-numbered Placement Document by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) FORWARD, DISTRIBUTE OR DELIVER THE ATTACHED PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR (2) REPRODUCE THE ATTACHED PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISSEMINATION, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Placement Document
Not for circulation
Private and confidential
Serial No.______

POLY MEDICURE LIMITED

*Poly Medicure Limited (the "**Company**"), incorporated in the Republic of India as a limited liability company under the Companies Act, 1956, as amended (the "**Companies Act, 1956**"), with Corporate Identity Number L40300DL1995PLC066923. For details, see "**General Information**" on page 205.*

Corporate Identity Number: L40300DL1995PLC066923
Registered and Corporate Office: 232B, 3rd Floor, Okhla Industrial Estate, Phase III New Delhi 110 020, India
Tel No.: +91 11 2632 1838; **Website**: www.polymedicure.com; **Email**: investorcare@polymedicure.com

Issue of 7,633,587 equity shares of face value of ₹ 5 each (the "**Equity Shares**") at a price of ₹ 524.00 per Equity Share, including a premium of ₹ 519.00 per Equity Share (the "**Issue Price**"), aggregating to approximately ₹ 4,000.00 million (the "**Issue**"). For further details, see "***Summary of the Issue***" on page 25.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "**SEBI ICDR REGULATIONS**"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "**PAS RULES**"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND THE RULES MADE THEREUNDER (THE "**COMPANIES ACT, 2013**").

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on February 12, 2021 were ₹ 591.65 and ₹ 591.75 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from each of BSE and NSE on February 15, 2021. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT TO ELIGIBLE QIBs IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS ("QIBs"). YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 32 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

A copy of the Preliminary Placement Document (which included disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of this Placement Document (which includes disclosures prescribed under Form PAS-4) has been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi ("**RoC**"), each within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Placement Document has not been reviewed by Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue have been made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see "***Issue Procedure***" on page 149. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the websites of our Company or any website directly or indirectly linked to our Company's website, or respective websites of the Book Running Lead Managers (as defined hereinafter) or their respective affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("**Rule 144A**") and referred to in this Placement Document as a "**U.S. QIB**") pursuant to applicable exemptions under the Securities Act, and (b) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. Prospective purchasers in the United States are hereby notified that our Company is relying on the exemption under Section 4(a)(2) of the Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the section "***Selling Restrictions***" on page 163. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "**QIBs**". For further information, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 163 and 170, respectively.

BOOK RUNNING LEAD MANAGERS	
ICICI Securities Limited	**JM Financial Limited**

This Placement Document is dated February18, 2021

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to us and the Equity Shares that is material in the context of the Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares to be issued pursuant to the Issue are honestly held, have been reached after considering all relevant circumstances, are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements.

ICICI Securities Limited and JM Financial Limited (collectively the "**Book Running Lead Managers**") have not separately verified all the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or by any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information supplied in connection with us or the Equity Shares or distribution of this Placement Document. Each person receiving the Preliminary Placement Document and this Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and our Subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as on any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction in including the United States Securities and Exchange Commission, any other federal or state authorities in the United States the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary in the United States and may be a criminal offence in certain jurisdictions.

Purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the sections "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 5, 163 and 170, respectively.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their respective representatives, and those retained by such Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Placement Document or any offering material in connection with the Equity Shares.

The distribution of this Placement Document and the offering of the Equity Shares may be restricted by law in certain countries or jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the

Equity Shares or distribution of this Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of the Preliminary Placement Document or this Placement Document or any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A to U.S. QIB) pursuant to applicable exemptions under the Securities Act, and (b) outside the United States (as defined in Regulation S) in reliance on Regulations S and the applicable laws of the jurisdictions where those offers and sales are made. Prospective purchasers in the United States are hereby notified that our Company is relying on the exemption under Section 4(a)(2) of the Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 163 and 170, respectively.

In making an investment decision, prospective investors must rely on their own examination of our Company, our Subsidiaries and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of the Preliminary Placement Document or this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsels and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any investor, subscriber, offeree or purchaser of the Equity Shares regarding the legality or suitability of an investment in the Equity Shares by such investor, subscriber, offeree or purchaser under applicable laws or regulations. Prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each investor, subscriber, offeree or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and that it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares.

This Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Placement Document has been prepared for information purposes to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Our Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events. Neither the delivery of this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof or thereof.

The information available on or through our Company's website (www.polymedicure.com), any website directly or indirectly linked to the website of our Company, or the respective websites of the Book Running Lead Managers, or their respective affiliates, does not constitute nor form part of the Preliminary Placement Document or this Placement Document and prospective investors should not rely on the information contained in or available through any such websites. This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

NOTICE TO INVESTORS IN THE UNITED STATES

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN

THE UNITED STATES ONLY TO PERSONS WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A) PURSUANT TO SECTION 4(a)(2) UNDER THE SECURITIES ACT OR ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE UPON REGULATION S AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES ARE MADE. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER OF THE EQUITY SHARES, SEE "SELLING RESTRICTIONS" AND "TRANSFER RESTRICTIONS" ON PAGES 163 AND 170, RESPECTIVELY.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information relating to investors in certain other jurisdictions, see the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 163 and 170, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By bidding and/or subscribing to any Equity Shares under this Issue, you are deemed to have made the representations, warranties, acknowledgements and agreements set forth in the sections "***Notice to Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 2, 163 and 170, respectively, and to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Managers as follows:

1. You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations / making necessary filings, if any, with appropriate regulatory authorities including RBI, in connection with this Issue or otherwise in relation to accessing the capital markets;

2. You are eligible to invest in India under applicable law, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended ("**FEMA Non-Debt Rules**") and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise in relation to accessing capital markets in India;

3. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the FEMA Non-Debt Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, dealing in securities or otherwise accessing the capital markets;

4. You confirm that you are not an FVCI;

5. You will provide the information as required under the Companies Act, 2013 and the PAS Rules and applicable SEBI regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

6. If you are Allotted Equity Shares pursuant to this Issue, you shall not sell the Equity Shares for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges;

7. You are aware that the Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations, or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been reviewed, verified or affirmed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company, and the Stock Exchanges;

8. You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents and approvals, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to commit to, and to, participate in this Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the Preliminary Placement Document and this Placement Document), and will honour such obligations;

9. Neither our Company, the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

10. You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company Presentations**") with regard to us or this Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information relating to us and this Issue that was not publicly available;

11. All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. None of our Company, the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

12. You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis in the manner set forth herein and are not being offered to the general public, and the Allotment of the same shall be on a discretionary basis;

13. You are aware that the Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and shall rank *pari passu* in all respects with the existing Equity Shares, including the right to receive all dividend and other distributions declared, made or paid in respect of the Equity Shares after the date of issue of the Equity Shares, as applicable;

14. You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document, and have read it in its entirety, including in particular the "***Risk Factors***" and "***Transfer Restrictions***" on pages 32 and 170, respectively;

15. In making your investment decision, you have (i) relied on your own examination of our Company and our Subsidiaries and the terms of this Issue, including the merits and risks involved, (ii) made your own assessment of our Company and our Subsidiaries, the Equity Shares and the terms of this Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in this Issue;

16. Neither our Company nor the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to this Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or any of the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

17. You are seeking to subscribe to/acquire the Equity Shares in this Issue for your own investment and not with a view to resale or distribute. You are aware that Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public. Eligible QIBs do not have the right of renunciation with respect to Equity Shares, proposed to be issued;

18. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or any of the Book Running Lead Managers or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with this Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investments in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the securities in the near future. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

19. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

20. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any of our Promoters or Promoter Group of our Company or persons or entities related thereto. In terms of Regulation 179(2)(b) of the SEBI ICDR Regulations, a person related to any of the Promoters shall mean a QIB who has: (a) rights under a shareholders' agreement or voting agreement entered into with any of our Promoters or Promoter Group of our Company; (b) veto rights; or (c) right to appoint any nominee director on the board of our Company, and shall not include a QIB who does not hold any shares in the Company and has acquired his rights in the capacity of a lender;

21. You agree that in terms of Section 42 of the Companies Act, 2013 and Rule 14 of PAS Rules, we shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

22. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

23. You are eligible to apply and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to this Issue. Further, you confirm that your aggregate holding after the Allotment of

the Equity Shares shall not exceed the level permissible as per any applicable law;

24. The Bid made by you would not eventually result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**SEBI Takeover Regulations**");

25. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other QIB; and

    b) 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations;

26. You are aware that after Allotment, final applications will be made for obtaining listing and trading approvals for listing and admission of the Equity Shares and for trading on the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers nor any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

27. You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

28. You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges, and if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be disclosing the name of such Allottees and the number of Equity Shares Allotted, to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures being made by our Company;

29. You are aware and understand that the Book Running Lead Managers have entered into a placement agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set out therein;

30. You are subscribing to the Equity Shares to be issued pursuant to this Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

31. The contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Company and neither the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to this Issue has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or otherwise. By accepting participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither

received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

32. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

33. Any dispute arising in connection with this Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in New Delhi, India, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

34. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees, counsels, representative, agents or affiliates and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

35. Our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees counsels, representative, agents and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable. You are not an affiliate of our Company, or a person acting on behalf of an affiliate of our Company;

36. You are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in this Issue is at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

37. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

38. You are aware that in terms of the SEBI FPI Regulations and the FEMA Non-Debt Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits for an FPI in our Company are 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the sectoral cap applicable to our Company in accordance with the FEMA Non-Debt Rules, respectively. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified

period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

39. You are eligible to invest in and hold the Equity Shares of our Company in accordance with the FDI Policy read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendment to the FEMA Non-Debt Rules, wherein an entity of a country which shares a land border with India or the beneficial owner an investment into India who is situated in or is a citizen of any such country, can only make investments through the Government approval route, as prescribed in the FEMA Non-Debt Rules;

40. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a Successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Managers;

41. You understand that our Company has not been and will not be registered under the U.S. Investment Company Act and you will not be entitled to the benefits of the U.S. Investment Company Act;

42. If you are within the United States, you are a U.S. QIB, and are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not an affiliate of our Company or a person acting on behalf of such affiliate;

43. If you are outside the United States, you are subscribing for the Equity Shares in an "offshore transaction" within the meaning of Regulation S and are not our Company's or the BRLM's affiliate or a person acting on behalf of such an affiliate;

44. You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the Securities Act provided by Section 4(a)(2) of the Securities Act, Rule 144A or another available exemption from registration under the Securities Act, and the Equity Shares may not be eligible for resale under Rule 144A thereunder. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 163 and 170, respectively; and

45. If you are a purchaser in the United States, you agree, on your own behalf and on behalf of any accounts for which you are acting, that you will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S, or pursuant to an applicable exemption from the registration requirements of the Securities Act. For non-United States based purchasers, you agree, on your own behalf and on behalf of any accounts for which you are acting, that you will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, including in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**SEBI FPI Regulations**") and the Operating Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued by SEBI to facilitate implementation of the SEBI FPI Regulations, FPIs, including the affiliates of the Book Running Lead Managers, who are registered as category I FPI can issue, subscribe and otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. Such P-Notes can be issued subject to compliance with the KYC norms and such other conditions as specified by SEBI from time to time, including payment of applicable regulatory fee. P-Notes have not been, and are not being, offered or sold pursuant to the Preliminary Placement Document or this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital. These investment restrictions also apply similarly to subscribers of offshore derivative instruments. In the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, by a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with the FDI Policy read with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendment to the FEMA Non-Debt Rules, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy. These investment restrictions shall also apply to subscribers of P-Notes.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers. Respective affiliates of the Book Running Lead Managers which are eligible FPIs may purchase the Equity Shares in this Issue, and may issue P-Notes in respect thereof, in each case to the extent permitted by applicable law.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures from the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document or this Placement Document;

2. warrant that our Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document or this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Placement Document, unless the context otherwise indicates or implies, references to 'you,' 'your', 'offeree', 'purchaser,' 'subscriber,' 'recipient,' 'investors' and 'potential investor' are to the prospective investors in the Issue, references to 'Poly Medicure Limited', the 'Company', 'our Company', the 'Issuer' are to, and references to 'we', 'our' or 'us' are to Poly Medicure Limited, together with its Subsidiaries on a consolidated basis.

In this Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States, and references to '₹', 'Rs.', 'INR' 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Placement Document in "millions" units. One million represents 1,000,000.

Financial and Other Information

In this Placement Document we have included the following financial statements prepared under Ind AS: (i) the audited consolidated financial statements for Fiscal 2018 comprising the consolidated balance sheet as at March 31, 2018 and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flow and the consolidated statement of changes in equity for Fiscal 2018 read along with the notes thereto (the "**Fiscal 2018 Audited Consolidated Financial Statements**"); (ii) the audited consolidated financial statements for Fiscal 2019 comprising the consolidated balance sheet as at March 31, 2019 and consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flow and the consolidated statement of changes in equity for Fiscal 2019 read along with the notes thereto (the "**Fiscal 2019 Audited Consolidated Financial Statements**"); (iii) the audited consolidated financial statements for Fiscal 2020 comprising the consolidated balance sheet as at March 31, 2020 and consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flow and the consolidated statement of changes in equity for Fiscal 2020 read along with the notes thereto (the "**Fiscal 2020 Audited Consolidated Financial Statements**" and collectively with Fiscal 2018 Audited Consolidated Financial Statements and Fiscal 2019 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"); and (iv) the unaudited interim condensed standalone and consolidated financial statements for the nine months ended December 31, 2020 comprising the interim condensed consolidated balance sheet as at December 31, 2020, the interim condensed standalone and consolidated statement of profit and loss (including other comprehensive income), (including the comparative financial information with respect to the nine months ended December 31, 2019, to the extent applicable), the interim standalone and consolidated statement of changes in equity, and the interim condensed standalone and consolidate statement of cash flows for the nine months ended December 31, 2020, read along with the notes and the limited review report issued thereto (the "**Unaudited Interim Condensed Financial Statements**"); and (v) pursuant to the meeting of our Board of Directors on January 27, 2021, we have adopted and filed with the Stock Exchanges on January 27, 2021, the Ind AS unaudited interim standalone and consolidated financial results for the quarter and nine months ended December 31, 2020, comprising the statement of profit and loss (including other comprehensive income) (including the comparative financial information with respect to the quarter and nine months ended December 31, 2019 and other financial information with respect to historical fiscal year/ periods as required under applicable law) read along with the notes and the limited review report issued thereto (the "**Statement of Unaudited Financial Results**").

Our Fiscal 2018 and Fiscal 2019 Audited Consolidated Financial Statements and the effectiveness of internal control over financial reporting as of March 31, 2018 and March 31, 2019, were audited by M/s. Doogar & Associates, Chartered Accountants, our Previous Statutory Auditors. Our Fiscal 2020 Consolidated Financial Statements and the effectiveness of internal control over financial reporting as of March 31, 2020 were audited by M. C. Bhandari & Company, Chartered Accountants, our current Statutory Auditors. Our Unaudited Interim Condensed Financial Statements have been subjected to limited review by our Statutory Auditors, who have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of such reliance on their report for such information should be restricted in light of the limited nature of the review procedures applied therein. In addition, with respect to the Statement of Unaudited Financial Results, included herein, the independent auditors have reported that they applied limited procedures in accordance with professional standards for review of such information. However, their separate report included herein, states that they did not audit and they do not express an opinion on that interim financial results. Accordingly, the degree of such reliance on their report for such information should be restricted in light of the limited nature of the review procedures applied therein.

In addition, Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its Audited Consolidated Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and the Interim Condensed Financial Statements, as included in this Placement Document, prepared in accordance with Ind AS, will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

For further information, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 68.

All numerical and financial information as set out and presented in this Placement Document, except for the information in the section "***Industry Overview***", for the sake of consistency and convenience have been rounded off or expressed in two decimal place in ₹ millions. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year' or 'Fiscal' or 'FY' are to the twelve month period ended on March 31 of that year.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled "Market Assessment of the Medical device industry in India" dated January 2021 ("**CRISIL Report**"), which is a commissioned report prepared by CRISIL. Further, CRISIL has issued the following disclaimer in the CRISIL Report:

"*CRISIL Research, a division of CRISIL Limited ("CRISIL") has taken due care and caution in preparing this report ("Report") based on the Information obtained by CRISIL from sources which it considers reliable ("Data"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Poly Medicure Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither we nor the Book Running Lead Managers have independently verified this data and do not make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the Book Running Lead Managers can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factor – This Placement Document contains information from industry sources including the industry report from CRISIL***" on page 51. Thus, neither our Company nor the Book Running Lead Managers can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act, subject to compliance with applicable provisions of Indian law.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'seek', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements and any other projections contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from any of the forward looking statements include, among others:

- extensive and dynamic medical device regulation, which may impede or hinder the approval or sale of our products and, in some cases, may ultimately result in an inability to obtain approval of certain products or may result in the recall or seizure of previously approved products;
- risks that manufacturing facilities are subject to, including quality control issues, disruptions in or lack of infrastructure facilities and obsolete plant and machinery and quality control problems, which could increase our manufacturing costs or interrupt our operations and adversely impact our reputation, sales and strategies;
- fluctuations in foreign currency exchange rate, which may harm our results of operations;
- our ability to enforce our intellectual property rights throughout the world;
- the impact of COVID-19 pandemic, which may affect our financial performance in future periods and it may otherwise have material adverse effects on our results of operations, financial condition, and/or our cash flows;
- our ability to keep pace with the rapid technological changes in the medical devices industry;
- our ability to cost-effectively develop widespread brand awareness and to maintain our reputation, and to achieve and maintain market acceptance for our products.

Additional factors that could cause actual results, performance or achievements to differ materially include but are not limited to, those discussed under "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Business***" on pages 32, 68, 99 and 119, respectively. The forward-looking statements contained in this Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document. Our Company and the Book Running Lead Managers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in our Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. The Chairman, all Directors and key managerial personnel/ senior management personnel of our Company are residents of India. A portion of our assets are located in India. As a result, it may be difficult for the investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments and execution of a foreign judgment is provided for under Sections 13 and 44A respectively, of the Code of Civil Procedure, 1908 (the "**Civil Procedure Code**") on a statutory basis.

Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. dollar (in Rupees per U.S. dollar), based on the reference rates released by the RBI/FBIL, which are available on the website of the RBI/FBIL. No representation is made that any Rupee amounts actually represent such amounts in U.S. dollars or could have been, or could be converted into, U.S. dollars at any particular rate, the rates indicated, any other rates or at all.

(₹ per US$)

Period	Period End(1)	Average(2)	High(3)	Low(4)
Fiscal:				
2020	75.39	70.88	76.15	68.37
2019	69.17	69.89	74.39	64.93
2018	65.04	64.45	65.76	63.35
Month ended:				
January 31, 2021	72.95	73.11	73.45	72.82
December 31, 2020	73.05	73.59	73.89	73.05
November 30, 2020	73.80	74.22	74.69	73.80
October 31, 2020	73.97	73.46	73.97	73.14
September 30, 2020	73.80	73.48	73.92	72.82
August 31, 2020	73.60	74.67	75.09	73.35

(Source: www.rbi.org.in and www.fbil.org.in)

Notes:
1. The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.
2. Average of the official rate for each Working Day of the relevant period.
3. Maximum of the official rate for each Working Day of the relevant period.
4. Minimum of the official rate for each Working Day of the relevant period.
5. The reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

The terms defined in this section shall have the meaning set out herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "***Industry Overview***", "***Taxation***", "***Legal Proceedings***" and "***Financial Information***" beginning on pages 99, 182, 199 and 204, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
Issuer/ Our Company / the Company	Poly Medicure Limited
We / us / our	Collectively, Poly Medicure Limited and our Subsidiaries
Articles / Articles of Association / AoA	Articles of Association of our Company, as amended
Audit Committee	The audit committee of our Board of Directors
Audited Consolidated Financial Statements	Collectively, Fiscal 2020 Audited Consolidated Financial Statements, Fiscal 2019 Audited Consolidated Financial Statements and Fiscal 2018 Audited Consolidated Financial Statements
Board of Directors/Board	Board of Directors of our Company
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by the Board of Directors
CRISIL Report	Report titled "*Market Assessment of the Medical device industry in India*" dated January 2021 issued by CRISIL
Directors	The directors on the Board of Directors of our Company
Equity Shares	Equity shares of our Company with a face value of ₹ 5 each
ESOP 2016	Employee Stock Option Scheme, 2016
ESOP 2020	Poly Medicure ESOS-2020
Executive Director	Executive director(s) of our Company, unless otherwise specified
Fiscal 2018 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements for Fiscal 2018 comprising the consolidated balance sheet as at March 31, 2018 and consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flow and the consolidated statement of changes in equity for Fiscal 2018 read along with the notes thereto
Fiscal 2019 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements for Fiscal 2019 comprising the consolidated balance sheet as at March 31, 2019 and consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flow and the consolidated statement of changes in equity for Fiscal 2019 read along with the notes thereto
Fiscal 2020 Audited Consolidated Financial Statements	The Ind AS audited consolidated financial statements for Fiscal 2020 comprising the consolidated balance sheet as at March 31, 2020 and consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flow and the consolidated statement of changes in equity for Fiscal 2020 read along with the notes thereto
Independent Director	A non-executive and independent director of our Company as defined in Section 2(47) of the Companies Act, 2013
Key Managerial Personnel	The key managerial personnel of our Company as identified/named under "***Board of Directors and Senior Management***" on page 133
Memorandum / Memorandum of Association / MoA	Memorandum of Association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by the Board of Directors

Term	Description
Non-Executive Director	A Director of our Company not being an Executive Director
Previous Statutory Auditors	The previous statutory auditors of our Company, M/s. Doogar & Associates, Chartered Accountants
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	Promoters of our Company as per the definition provided in Regulation 2(1)(oo) of the SEBI ICDR Regulations
QIP Committee	The Committee was formed with respect to this Issue, pursuant to a resolution passed by our Board dated January 27, 2021
Registered and Corporate Office	232B, 3rd Floor, Okhla Industrial Estate, Phase III New Delhi 110 020, India
Risk Management Committee	The risk management committee constituted by the Board of Directors
RoC / Registrar of Companies	Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi
Senior Management	The members of the senior managerial personnel of our Company as identified/named under "***Board of Directors and Senior Management***" on page 133
Shareholders	The holders of the Equity Shares from time to time
Stakeholders' Relationship Committee	The stakeholders relationship committee constituted by our Board
Statement of Unaudited Financial Results	The Ind AS unaudited interim standalone and consolidated financial results for the quarter and nine months ended December 31, 2020, comprising the statement of profit and loss (including other comprehensive income) (including the comparative financial information with respect to the quarter and nine months ended December 31, 2019 and other financial information with respect to historical fiscal year/ periods as required under applicable law) read along with the notes and the limited review report issued thereto
Statutory Auditors	M. C. Bhandari & Company, Chartered Accountants, appointed pursuant to a resolution of our Shareholders dated September 23, 2019
Subsidiaries	The subsidiaries of our Company are as follows: 1. Poly Medicure (Laiyang) Co. Ltd; 2. Plan1 Health India Private Limited; 3. Plan1 Health s.r.l.; and 4. Poly Medicure B.V.
Unaudited Interim Condensed Financial Statements	The Ind AS unaudited interim condensed standalone and consolidated financial statements for the nine months ended December 31, 2020, comprising the interim condensed standalone and consolidated balance sheet as at December 31, 2020, the interim condensed standalone and consolidated statement of profit and loss (including other comprehensive income), the interim condensed consolidated statement of cash flows and the interim condensed standalone and consolidated statement of changes in equity for the nine months ended December 31, 2020 (including the comparative financial information with respect to the nine months ended December 31, 2019, to the extent applicable), read along with the notes thereto

Issue Related Terms

Term	Description
Allocated / Allocation	Allocation of Equity Shares to Successful Bidders by the Company, in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amount submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations, Companies Act, 2013 and other applicable laws
Allot / Allotment / Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting the Application Form in the Issue
Application Form	Form (including any revisions thereof) which has been submitted by the Eligible QIBs for registering a Bid in the Issue during the Issue Period. An indicative format is set forth in Annexure A on page 210.
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue
Bidder	An Eligible QIB, who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	Together, ICICI Securities Limited and JM Financial Limited

Term	Description
CAN / Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price and shall include details of amount to be refunded, if any, to such Bidders.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about February 19, 2021
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not restricted from participating in the Issue under the applicable laws, including Regulation 179(2) of the SEBI ICDR Regulations or has not been prohibited or debarred by any regulatory authority from buying, selling or dealing in securities, and is eligible to invest in the Issue; (ii) is a resident of India or is an Eligible FPI participating through Schedule II of the FEMA Rules; and includes QIBs (iii) within the United States that is a "qualified institutional buyer" (as defined in Rule 144A) or is outside the United States and is purchasing the Equity Shares in "offshore transactions" as defined in, and in reliance on, Regulation S and in compliance with the applicable laws of the jurisdictions where those offers and sales are made.
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened in the name and style "Poly Medicure Limited – QIP Escrow Account" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue has been deposited
Escrow Agreement	Agreement dated February 15, 2021, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	HDFC Bank Limited
Floor Price	Floor price of ₹ 550.79 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 4.86% on the Floor Price in accordance with the approval of the Shareholders accorded by way of postal ballot on January 14, 2021 and in compliance with the terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	February 18, 2021, the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	February 15, 2021, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ 524.00
Issue Size	Issue of 7,633,587 Equity Shares aggregating to approximately ₹ 4,000.00 million
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated February 15, 2021 by and among our Company and the Book Running Lead Managers
Placement Document	This placement document dated February 18, 2021, issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The preliminary placement document cum application form, dated February 15, 2021 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
QIB / Qualified Institutional Buyer	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated

Term	Description
	Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts, except where the number of Equity Shares Allocated to a Successful Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount paid by a Successful Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, in which events the Refund Amount will be set out in the CAN.
Relevant Date	February 15, 2021, which is the date of the meeting in which the QIP Committee decided to open the Issue
Stock Exchanges	Together, NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount and who will be Allocated Issue Shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/ Abbreviations

Term/Abbreviation	Full Form
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Civil Procedure Code	Code of Civil Procedure, 1908
Companies Act, 1956	The Companies Act, 1956, read with the rules, regulations, clarifications and modifications thereunder
Companies Act / Companies Act, 2013	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
CRISIL	CRISIL Limited
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996
Depository or Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996
DP/Depository Participant	Depository participant as defined under the Depositories Act
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI, with effect from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999
FEMA Non-Debt Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 2020
Financial Year / Fiscal / FY	Period of 12 months ended March 31 of that particular year
Form PAS-4	The Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign Portfolio Investors as defined under the SEBI FPI Regulations and includes a person registered under the SEBI FPI Regulations
Fugitive Economic Offender	Fugitive Economic Offender An individual who is declared a fugitive economic offender under Section 12 of the Fugitive
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI
GoI / Government	Government of India
GST	Goods and Service Tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian Accounting Standards
India	Republic of India
MCA	Ministry of Corporate Affairs, GoI
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

Term/Abbreviation	Full Form
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
Rule 144A	Rule 144A under the Securities Act
Rs. or Rupees or ₹	The lawful currency of India
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
SEC	The United States Securities and Exchange Commission
Securities Act	The U.S. Securities Act of 1933
U.S. / United States	United States of America
U.S. GAAP	Generally accepted accounting principles followed in the U.S.
US$ / U.S. dollars or USD	U.S. dollars, the lawful currency of the United States
U.S. QIB	Qualified institutional buyers as defined in Rule 144A under the Securities Act

Technical and Industry Terms

Term	Description
EOU	Export oriented unit
SEZ	Special economic zone under the Special Economic Zones, Act 2005
CE mark	Conformité Européenne
CNC	Computer Numeric Control
CVP	Central venous pressure
DSIR	Department of Scientific and Industrial Research
EC Certificate	Encumbrance Certificate
EOU	Export oriented unit
GMP	Good manufacturing practices
I.V.	Intra-venous
ISO	Industry organization of standardization
Korea FDA	Korea Food and Drug Administration
OEM	Original equipment manufacturers
PLC	Programmable Logic Control
PVC	Polyvinyl chloride
R&D	Research and development
SEZ	Special economic zone under the Special Economic Zones, Act 2005
SKU	Stock-keeping units
TUR	Transurethral resection
US FDA	United States Food and Drug Administration
UV bonding	Ultra Violet bonding
VLTM	Viral Lysis Transport medium
VTM	Viral Transport medium

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including "***Risk Factors***", "***Use of Proceeds***", "***Placement and Lock-up***", "***Issue Procedure***" and "***Description of the Equity Shares***" on pages 32, 62, 161, 149 and 176, respectively.

Issuer	Poly Medicure Limited
Face Value	₹ 5 per equity share of the Company
Issue Size	Aggregating to approximately ₹ 4,000.00 million, comprising 7,633,587 Equity Shares of our Company, at a premium of ₹ 519.00 each A minimum of 10% of the Issue Size, i.e. at least 763,359 Equity Shares, were made available for Allocation to Mutual Funds only, and the balance 6,870,228 Equity Shares were made available for Allocation to all Eligible QIBs, including Mutual Funds In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs
Floor Price	₹ 550.79 per Equity Share In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer has offered a discount of 4.86% on the Floor Price in accordance with the approval of the Shareholders January 14, 2021 by way of postal ballot, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Price	₹ 524.00 per equity share of the Company (including a premium of ₹ 519.00 per Equity Share)
Eligible Investors	Eligible QIBs, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or restricted from participating in the Issue under the SEBI ICDR Regulations. See "***Issue Procedure - Qualified Institutional Buyers***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 153, 163 and 170, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form have been delivered was determined by the Book Running Lead Managers in consultation with our Company, at their sole discretion.
Date of Board Resolution approving the Issue	December 8, 2020
Date of Shareholders' Resolution approving the Issue	January 14, 2021
Dividend	See "***Description of the Equity Shares***", "***Dividends***" and "***Taxation***" on pages 176, 67 and 182, respectively.
Taxation	Please see "***Taxation***" on page 182.
Equity Shares issued and outstanding prior to the Issue	88,246,980 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	95,880,567 Equity Shares
Listing	Our Company has received in-principle approvals from the BSE and the NSE each dated February 15, 2021 under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares to be issued pursuant to the Issue.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.
Lock-up	For details of the lock-up, see "***Placement and Lock-up***" on page 161

Transferability Restrictions	Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Also see "***Transfer Restrictions***" and "***Selling Restrictions***" on pages 170 and 163, respectively.
Use of Proceeds	The gross proceeds of the Issue aggregating to approximately ₹ 4,000.00 million. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is approximately ₹ 3,931.50 million. See "***Use of Proceeds***" on page 62 for information regarding the use of Net Proceeds from the Issue.
Risk Factors	See "***Risk Factors***" on page 32 for a discussion of factors you should consider before deciding whether to subscribe to Equity Shares pursuant to this Issue
Closing Date	Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about February 19, 2021.
Status and Ranking	Equity Shares being issued pursuant to the Issue shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (who hold Equity Shares as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in Shareholders' meetings on the basis of one vote for every Equity Share held. See "***Dividends***" and "***Description of the Equity Shares***" on page 67 and page 176, respectively.
Security Codes for the Equity Shares	ISIN: INE205C01021 BSE Code: 531768 NSE Symbol: POLYMED

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the more detailed information contained in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and the Audited Consolidated Financial Statements and Unaudited Interim Condensed Financial Statements included in "***Financial Information***" on pages 68 and 204, respectively.

Consolidated Statement of Assets and Liabilities:

(in ₹ million)

Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Assets				
1. Non-Current Assets				
(a) Property, plant and equipment	3,602.66	3,124.11	2,606.54	2,486.43
(b) Capital work-in-progress	169.56	166.96	93.64	96.64
(c) Right of Use Asset	23.98	30.94		
(d) Investment Properties	45.48	34.59	35.21	34.90
(e) Goodwill on consolidation	285.81	285.81	285.81	
(f) Intangible assets	163.97	154.05	135.06	131.50
(g) Intangible assets under development	69.50	80.09	100.54	85.82
(h) Financial Assets				
(i) Investment in associates	83.83	72.35	50.34	46.99
(ii) Other Investments		22.3	22.40	20.90
(iii) Other financial assets	260.66	349.73	112.45	67.27
(i) Other non-current assets	124.33	174.43	80.81	125.74
Total non-current assets	**4,829.78**	**4,495.36**	**3,522.80**	**3,096.19**
2. Current Assets				
(a) Inventories	1,242.55	1,120.95	837.91	729.89
(b) Financial assets				
(i) Investments	427.59	159.22	2.68	106.18
(ii) Trade receivables	1,350.23	1,271.17	1,283.83	1,125.43
(iii) Cash and cash equivalents	82.12	48.57	43.18	37.00
(iv) Bank balances other than (iii) above	195.87	204.98	502.75	166.86
(v) Loans	3.86	1.37	2.28	1.58
(vi) Other financial assets	29.64	40.38	54.15	12.33
(c) Other current assets	378.19	331.24	289.94	372.77
Total current assets	**3,710.05**	**3,177.88**	**3,016.72**	**2,552.04**
Total Assets	**8,539.83**	**7,673.24**	**6,539.52**	**5,648.23**
Equity and Liabilities				
Equity				
(a) Equity share capital	441.24	441.24	441.18	441.13
(b) Other equity	4873.65	3,907.00	3,372.52	2,941.85
Equity attributable to shareholders of the company.	**5314.89**	**4,348.24**	**3,813.70**	**3382.98**
				(0.03)
Total equity	**5314.89**	**4,348.24**	**3,813.70**	**3,382.95**
Liabilities				
1. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	755.57	1,105.74	913.80	791.16
(ii) Lease Liabilities	23.08	32.83		
(iii) Other financial liabilities	10.50	10.34	38.76	49.76
(b) Provisions	46.51	38.05	31.31	21.02
(c) Government Grants	53.7	22.05	19.40	20.35
(d) Deferred tax liabilities (Net)	124.49	144.89	186.63	157.20
Total non-current liabilities	**1,013.85**	**1,353.90**	**1,189.90**	**1,039.49**
2. Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	659.96	570.12	454.75	322.36
(ii) Lease Liabilities	12.54	10.40	-	
(iii) Trade payables				
a) total outstanding dues of micro enterprises and small enterprises	82.36	86.19	17.20	13.44

b) total outstanding dues of creditors other than micro enterprises and small enterprises	675.53	577.41	538.18	422.81
(iv) Other financial liabilities	646.59	549.82	405.69	386.13
(b) Other current liabilities	100.06	162.26	84.19	77.76
(c) Provisions	4.33	4.20	3.44	3.29
(d) Current tax liabilities (net)	29.72	10.70	32.47	-
Total current liabilities	**2,211.09**	**1,971.10**	**1,535.92**	**1,225.79**
Total Equity and Liabilities	**8,539.83**	**7,673.24**	**6,539.52**	**5,648.23**

Consolidated Statement of Profit and Loss:

(in ₹ million)

Particulars	As at December 31, 2020	As at December 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
INCOME					
Revenue from operations	5,735.12	5159.08	6,872.39	6,108.25	5,216.78
Other income	117.45	132.33	184.63	182.67	143.76
Total Revenue	**5,852.57**	**5291.41**	**7,057.02**	**6,290.92**	**5,360.54**
EXPENSES					
Cost of materials consumed	1,910.03	1,654.32	2,252.20	1,949.20	1711.20
Purchases of Stock-in-Trade	21.81	6.48	7.06	145.44	43.73
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(66.70)	(35.09)	(88.81)	(8.00)	(104.43)
Excise duty on sale of goods					12.61
Employee benefits expense	1,042.25	1,039.21	1,387.64	1,166.07	991.26
Research and development expenses	93.70	84.62	119.42	101.49	100.48
Finance cost	103.41	102.31	183.14	117.50	99.65
Depreciation and amortization expense	349.79	310.44	405.28	372.92	292.44
Other expenses	1132.29	1,171.45	1,555.26	1,459.54	1258.49
Total Expenses	**4586.58**	**4,333.76**	**5,821.19**	**5,304.16**	**4,405.43**
Profit before tax, and share of net profit from associates	**1265.99**	**957.65**	**1,235.83**	**986.76**	**955.11**
Share of profit from associates	16.38	10.65	21.41	13.99	12.41
Profit before tax	**1282.37**	**968.30**	**1,257.24**	**1,000.75**	**967.52**
Tax expenses:					
(1) Current tax	333.42	256.67	331.73	308.56	253.66
(2) Deferred tax	(20.00)	(24.77)	(38.41)	29.33	7.92
(3) Tax adjustment for earlier years (net)	(1.33)	4.17	5.14	8.87	-
Total tax expenses	**312.09**	**236.08**	**298.46**	**346.76**	**261.58**
Profit after tax	**970.28**	**732.22**	**958.78**	**653.99**	**705.94**
Other comprehensive income					
Items that will not be reclassified to profit and loss					
Acturial gains/(losses) of defined benefit plan	(0.63)	(3.37)	3.82	0.29	4.08
Tax impacts on above	0.16	0.84	(0.96)	(0.10)	(1.41)
Other comprehensive income for the year (net of tax)	**(0.47)**	**(2.52)**	**2.86**	**0.19**	**2.67**
Total comprehensive income for the year	**969.81**	**729.70**	**961.64**	**654.18**	**708.61**
Profit for the year attributable to:					
Equity holders of the parent	**970.28**	**732.22**	**958.78**	**653.99**	**705.94**
Non-controlling interests	-				
Total comprehensive income for the year attributable to:					
Equity holders of the parent	**969.81**	**729.70**	**961.64**	**654.18**	**708.61**
Non-controlling interests	-				
Earnings per equity share: (Face value ₹ 5 each) in rupees					
Basic	11.00	8.30	10.86	7.41	8.00
Diluted	10.99	8.29	10.86	7.41	8.00

Consolidated Statement of Cash Flows

(in ₹ million)

Particulars	As at December 31, 2020	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax and exceptional items	1,265.99	1,235.83	986.76	955.11
Adjusted for:				
Depreciation and amortization	349.79	405.28	372.92	292.44
Share in Income of Associates	16.38	21.41	13.99	12.40
Interest expense	103.41	183.14	117.51	99.65
Interest income	(23.48)	(48.40)	(34.95)	(19.92)
Dividend/ Governing Council Share		(1.56)	(15.53)	
Loss/(profit) on sale of fixed assets, net	(0.21)	(1.30)	(7.84)	(0.41)
Debts/advances written off	1.74	3.07	5.65	0.07
Provision for doubtful debts and advances	3.19	2.93	-	8.54
Credit balances no longer required, written back	(0.01)	(5.38)	(15.36)	(0.62)
Deferred employee compensation expenses (net)	3.72	1.39	1.87	1.80
Unrealized foreign exchange (gain) /loss	46.39	(40.77)	25.11	(13.51)
Other Comprehensive Income	(0.63)	3.82	0.29	4.08
Write off of Non-Controlling Interest	-	-	0.03	-
Ind As Adjustment for Unrealised Gain on Mutual Fund	(19.31)	(6.44)	(1.67)	(4.34)
Ind As Adjustment on Govt. Grant & Subsidy	(7.14)	(6.47)	(8.06)	(5.40)
Ind As Adjustment for Interest Income on Financial Assets	(2.07)	(0.38)	(0.34)	(0.30)
Ind As Adjustment on Forward Contracts (Net)	(22.81)	33.47	(15.71)	28.24
Ind As Adjustment for Deferred Processing fees	(2.40)	2.77	1.53	0.57
Ind As Adjustment for Interest on Security Deposit against Rent	0.19	0.39	0.39	
Other adjustments including minority	(6.14)	2.33	2.43	(3.96)
Operating profit before working capital changes	**1,711.4**	**1,785.13**	**1,429.02**	**1,355.44**
Movement in working capital				
Decrease/(increase) in inventories	(121.60)	(283.04)	(108.02)	(110.43)
Decrease/ (increase) in sundry debtors	(125.37)	59.00	(191.54)	(151.38)
Decrease/(Increase) in financial assets	25.65	(41.64)	(20.81)	(2.71)
Decrease/(Increase) in other assets	(46.43)	(39.84)	80.90	(167.51)
Increase/ (decrease) in trade payables	109.29	102.02	136.88	16.62
Increase/ (decrease) in other financial liabilities	20.14	(2.79)	(1.22)	22.04
Increase/ (decrease) in other liabilities	(62.20)	78.07	6.43	32.27
Increase/ (decrease) in provisions	8.58	7.50	10.44	(12.42)
Cash generated from operations	**1,519.46**	**1,664.41**	**1,342.08**	**980.92**
Direct taxes paid (net of refunds)	(313.07)	(359.35)	(277.25)	(231.35)
Net cash from operating activities	**1,206.39**	**1,305.06**	**1,064.83**	**749.57**
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets (including capital advances)	(746.34)	(1,060.22)	(779.97)	(824.56)
Purchase of Investments (net)	(238.24)	(172.01)	100.33	(122.75)
Proceeds from / (Investment in) Fixed Deposits (net)	103.10	81.82	(382.97)	39.80
Proceeds from sale of fixed assets	4.50	3.40	24.11	2.46
Dividend Income	-	3.78	11.75	-
Interest income	26.25	48.63	19.39	24.74
Net cash used for investing activities	**(850.73)**	**(1,094.60)**	**(1,007.36)**	**(880.31)**
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings / deferred payment liabilities (net)	(208.43)	332.95	282.41	309.31
Proceeds from Share Allotments	-	0.50	0.5	
Dividend and tax thereon Paid	-	(424.75)	(211.93)	(53.09)
Share issue expense to be adjusted in share premium	(1.00)	-	-	-
Repayment of Lease Liabilities (including interest)	(8.55)	(13.61)	-	
Interest / Finance charges paid	(104.12)	(100.16)	(122.29)	(99.08)
Net cash from (used for) financing activities	**(322.10)**	**(205.07)**	**(51.31)**	**157.14**
Net increase in cash and cash equivalents (A+B+C)	**33.56**	**5.39**	**6.16**	**26.40**
Cash and cash equivalents at the beginning of the year	**48.57**	**43.18**	**37.01**	**10.61**

Cash and cash equivalents at the end of the year	**82.13**	**48.57**	**43.17**	**37.01**
COMPONENTS OF CASH AND CASH EQUIVALENTS				
Balances with Banks in current account	80.46	40.76	41.74	30.27
Cheques, drafts on hand	-	-	0.03	0.35
Cash on hand (including foreign currency notes)	1.67	2.07	1.39	1.23
Fixed deposits with banks, having original maturity of three months or less	-	5.74	0.01	5.16
Cash and cash equivalents at the end of the year	**82.13**	**48.57**	**43.17**	**37.01**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Fiscals 2020; (ii) Fiscal 2019; and (iii) Fiscal 2018, as per the requirements under Ind AS 24, see "***Financial Information - Fiscal 2020 Audited Consolidated Financial Statements – Note 39 – Related Party Disclosures***", "***Financial Information - Fiscal 2019 Audited Consolidated Financial Statements – Note 38 – Related Party Disclosures***" and "***Financial Information - Fiscal 2018 Audited Consolidated Financial Statements – Note 37 – Related Party Disclosures***" on pages F-270, F-328 and F-395, respectively.

RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. Investors should carefully consider each of the following risk factors and all the information disclosed in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are those that we consider to be most significant to our business, results of operations and financial conditions as of the date of this Placement Document. However, they are not the only risks relevant to us or the Equity Shares or the industry or regions in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "**Business**", "**Industry Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 119, 99 and 68, respectively, as well as the other financial information included in this Placement Document. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.*

*This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. For further information, see "**Forward-Looking Statements**" on page 17.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Consolidated Financial Statements, Unaudited Interim Condensed Consolidated Financial Statements and Statement of Unaudited Financial Results included in this Placement Document. For further information, see "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 204 and 68, respectively.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Market Assessment of the Medical Device Industry in India" dated January 2021 (the "**CRISIL Report**") prepared and released by CRISIL Research, a division of CRISIL Limited, and commissioned by us and other publicly available information. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Poly Medicure Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Poly Medicure Limited on a consolidated basis.

RISKS RELATED TO OUR COMPANY AND BUSINESS

1. ***We are subject to extensive and dynamic medical device regulation, which may impede or hinder the approval or sale of our products and, in some cases, may ultimately result in an inability to obtain approval of certain products or may result in the recall or seizure of previously approved products.***

Our products, marketing, sales and development activities and manufacturing processes are subject to extensive and rigorous regulation by regulatory authorities across geographies. In India, we are required to comply with various legislations including the Medical Devices Rules, 2017, Drugs and Cosmetics Act, 1940, Drugs and Cosmetics Rules, 1945, the Bio-Medical Waste Management Rules, 2016, the Factories Act, 1948, the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Wastes (Management and Transboundary

Movement) Rules, 2016, Legal Metrology Act, 2009 and the Legal Metrology (Enforcement) Rules of the various states we operate in and obtain specific approvals, consents and authorizations from the relevant authorities under such statutes. The process of obtaining marketing approval or clearance for new products, or with respect to enhancements or modifications to existing products, could:

- take a significant period of time,
- require the expenditure of substantial resources,
- involve rigorous pre-clinical and clinical testing, as well as increased post-market surveillance,
- require changes to products, and
- result in limitations on the indicated uses of products.

In addition, exported devices are subject to the regulatory requirements of each country to which the device is exported, including the FDA in the United States, and comparable agencies in other countries. Medical devices must receive FDA clearance or approval or an exemption from such clearance or approval before they can be commercially marketed in the U.S. In the European Union (EU), we are required to comply with the new Medical Device Regulation (MDR or EU MDR) effective May 2020 which will supersede the current Medical Device Directives. Medical devices which have a valid CE Certificate to the current Directives (issued before May 2020) can continue to be sold until May 2024 or until the CE Certificate expires, whichever comes first, provided there are no significant changes to the design or intended use. The CE Mark is applied following approval from an independent notified body or declaration of conformity. Some countries do not have medical device regulations, but in most foreign countries, medical devices are regulated. Most countries require that product approvals be renewed or recertified on a regular basis, generally every three to five years. The renewal or recertification process requires that we evaluate any device changes and any new regulations or standards relevant to the device and conduct appropriate testing to document continued compliance. Where renewal or recertification applications are required, they may need to be renewed and/or approved in order to continue selling our products in those countries. There can be no assurance that we will receive the required approvals for new products or modifications to existing products on a timely basis or that any approval will not be subsequently withdrawn or conditioned upon extensive requirements.

Our global regulatory environment is becoming increasingly stringent and unpredictable, which could increase the time, cost and complexity of obtaining regulatory approvals for our products, as well as the clinical and regulatory costs of supporting those approvals. Several countries that did not have regulatory requirements for medical devices have established such requirements in recent years and other countries have expanded on existing regulations. Certain regulators are exhibiting less flexibility and are requiring local preclinical and clinical data in addition to global data. While harmonization of global regulations has been pursued, requirements continue to differ significantly among countries. We expect this global regulatory environment will continue to evolve, which could impact our ability to obtain future approvals for our products or could increase the cost and time to obtain such approvals in the future.

Regulatory authorities actively monitor compliance with local laws and regulations through review and inspection of design and manufacturing practices, recordkeeping, reporting of adverse events, labeling and promotional practices. Regulatory authorities can ban certain medical devices, detain or seize misbranded medical devices, order repair, replacement or refund of these devices and require notification of health professionals and others with regard to medical devices that present unreasonable risks of substantial harm to the public health. Any adverse regulatory action may restrict us from effectively marketing and selling our products, may limit our ability to obtain future premarket clearances or approvals and could result in a substantial modification to our business practices and operations.

Regulations regarding the development, manufacture and sale of medical devices are evolving and subject to future change. We cannot predict what impact, if any, those changes might have on our business. Failure to comply with regulatory requirements could have a material adverse effect on our business, financial condition and results of operations. Later discovery of previously unknown problems with a product or manufacturer could result in fines, delays or suspensions of regulatory clearances or approvals, seizures or recalls of products, physician advisories or other field actions, operating restrictions and/or criminal prosecution. For instance, we are currently involved in a dispute with a local Drug Inspector in Raigad, Maharashtra over the classification of one of our products as "drugs", in connection with which we have also challenged the retrospective effect of the change in classification of medical devices. For further information, see "***Legal Proceedings – Litigation involving our Company – Litigation Against our Company – Actions by statutory or regulatory authorities***" on page 200. The failure to receive product approval clearance on a timely basis, suspensions of regulatory clearances, seizures or recalls of products, physician advisories or other field actions, or the withdrawal of product approval by regulatory authorities in India and in foreign countries could have a material adverse effect on our business, financial condition or results of operations.

2. Our manufacturing facilities are subject to risks, including quality control issues, disruptions in or lack of infrastructure facilities and obsolete plant and machinery and quality control problems, which could increase our manufacturing costs or interrupt our operations and adversely impact our reputation, sales and strategies.

We currently operate eight manufacturing facilities across India, China, Egypt and Italy. In India, we operate five manufacturing facilities, three of which are situated at Faridabad (Haryana), and one each in Jaipur (Rajasthan) and Haridwar (Uttarakhand). These facilities are required to comply with quality control systems of various jurisdictions, including, current good manufacturing practices, as prescribed under various legislations and standards stipulated by regulatory agencies where we manufacture and sell our products.

We face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality control problems. Further, there may occur, from time to time, defects in our products on account of human error, including certain manufacturing defects, leakages and wrong labelling. Such defects, if discovered prior to dispatch to our distributors, may require repair and/or replacement and accordingly, cause delay in delivery to distributors. However, if these defects are discovered after the product has been delivered to our distributor, under our contractual arrangements with distributors, it will result in recall or return and replacement of our products. Our distributors may also return or require replacement of our products on account of non-conformity with quality specifications. Depending on the product supplied and the nature of defect or in case of non-conformity with quality standards, such recall or return may result in loss of reputation to our Company. Further, under certain contracts with governmental agencies, repeated defaults in respect of quality control measures in respect of one product or defaults in respect of multiple products, supplied by the Company, may result in the specific product or our Company, as the case may be, being blacklisted from further supply to such governmental agencies for specific periods of time. Any loss of our reputation or brand image, for whatsoever reason, may lead to a loss of business and adversely affect our ability to enter into additional business arrangements in the future.

Our manufacturing facilities are subject to operational risks, such as breakdown or failure of equipment, shortage of power supply, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents including fire hazards and the need to comply with regulatory requirements and quality control systems of various jurisdictions. Our distributors rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Any disruption at our manufacturing facilities on account of any of these factors could result in interruption of our manufacturing process and delay the delivery of products to our distributors. In the past there have been instances of fire at our Company’s facilities causing minor disruptions at those facilities. Although we maintain fire-fighting equipment at all our facilities, we cannot assure you that such incidents in the future would not result in major disruptions, including shutdown of any of our facilities, or accidents or fatalities, resulting in loss of production. Further, any labour disruptions or delay in delivery of equipment by our suppliers or any disruption in the power supply, may result in us breaching our product deadlines and thereby, materially adversely affecting our business, cash flows, financial conditions and results of operations.

In addition, we outsource a portion of manufacturing process to one of our promoter group entities, Vitromed Healthcare (“**Vitromed**”). Any disruptions at the facilities of Vitromed may adversely affect our production deadlines, and accordingly, our business and results of operations. In Fiscal 2020, job work charges paid to Vitromed Healthcare represented 7.21% of our total revenue.

3. We are exposed to foreign currency exchange rate fluctuations, which may harm our results of operations.

In Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2019 and 2020, revenue generated from sales outside India represented 75.56%, 72.89%, 72.61%, 71.75%, and 70.39% of our revenue from operations, respectively.

Our financial statements are presented in Indian Rupees. However, our revenues, expenditure and finance charges are influenced by the currencies of those countries where we sell our products (for example, countries in Europe, south-east Asia, the Middle East and Africa), to a limited extent by currencies of countries from where we procure our raw material (for example United States, Germany, China, Japan, Korea and Taiwan) and the countries where our Subsidiaries are located. The exchange rate between the Indian Rupee and these currencies, primarily the U.S. Dollar and the Euro, have fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. Moreover, as part of our long term and working capital borrowings are U.S. Dollar denominated, we expect that our cost of borrowing as well as our cost of raw materials incurred by us and our Subsidiaries may rise during a sustained depreciation of the Indian Rupee against the U.S. Dollar, the Euro or the Chinese Yuan.

We may, therefore, suffer losses on account of foreign currency fluctuations for sales to our international distributors and on our international operations, as we may be able to revise prices, for foreign currency fluctuations, only on a periodic basis and we may not be able to pass on all losses on account of foreign currency fluctuations to our distributors. Moreover, we may be required to reconfigure our loan portfolio from time to time, so as to effectively manage our finance charges.

While we are, to a limited extent benefitted by a natural hedging process on account of our imports, and further seek to hedge our foreign currency exchange risk by entering into forward exchange contracts, any amounts that we spend or invest in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses that we may incur due to such fluctuations. In the nine months ended December 31, 2020, our unhedged foreign currency receivables amounted to ₹ 939.40 million, while our total unhedged foreign currency payables amounted to ₹ 329.50 million, the total value of our outstanding forward exchange contracts amounted to ₹ 103.30 million and the total value of unhedged foreign currency loans amounted to ₹ 1,119.28 million.

4. We may not be able to enforce our intellectual property rights throughout the world.

As part of our growth strategy, we actively file and seek to obtain patents for new products under development. As of December 31, 2020, have been granted over 300 patents and we have filed over 150 additional patent applications globally. Our success depends, in part, on our ability to protect our intellectual property, including trade secrets and other proprietary information, obtain patents and operate without infringing on the proprietary rights of others. Filing, prosecuting, maintaining, defending, and enforcing intellectual property rights on our products and technologies in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside India can be less extensive than those in India.

Further, our competitors may have filed patent applications or been granted patents relating to products or processes that compete with those we are developing or seeking to protect, or their patents may impair our ability to do business in a particular geographic area which will in turn adversely impact our operations. Obtaining an approval or patent protection in any one jurisdiction would not ensure patent protection in other jurisdictions. For instance, our VIGMED pre grant objection was granted in India by Indian Patent Office but is yet to be finally determined by the European Patent Office. Competitors may use our products in jurisdictions where we have not obtained protection to develop their own products and may also supply these products to other territories where we have protection but where enforcement may not be as anticipated. These products and services may therefore compete with our products and services, and our intellectual property rights may not be effective or sufficient to prevent them from competing.

As of December 31, 2020, we owned 214 registered trademarks, including our logo, 121 registered designs and 15 registered copyrights that have been granted. We have various trademark, design and copyright applications pending, any of which may be subject to governmental or third-party objection, which could prevent the maintenance or issuance of the same. For instance, 16 objections have been filed against various trademark applications for our products in India. We may not always be able to safeguard the same from infringement or passing off, both domestically and internationally, since we have operations in several countries and may not be able to respond to infringement or passing off activity occurring without our knowledge. For instance, in an effort to safeguard the intellectual property in our products, we have filed 10 opposition proceedings against various third parties, as of December 31, 2020. Moreover, our existing trademarks, patents, design and copyright may expire, and there can be no assurance that we will renew them after expiry.

In addition, the laws of some countries do not protect proprietary rights as anticipated, and may require additional procedures for adequate enforcement. In addition, the legal systems of some countries do not support enforcement of intellectual property protection, especially those relating to health care. This could make it difficult for us to stop the misappropriation or other violation of our other intellectual property rights. Accordingly, we may choose not to seek protection in certain countries, and we will not have the benefit of protection in such countries. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in foreign countries may affect our ability to obtain adequate protection for our products, services and other technologies and the enforcement of intellectual property. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

We cannot assure you that our products do not or will not infringe valid third party intellectual property rights. Our competitors and other companies or innovators have tried and may continue to try to assert patent and other intellectual property rights against us, such as in respect of our Polyseal and Poly Clamp in India. As a result, we could become involved in more extensive litigation regarding our products. If we are unsuccessful in defending ourselves against these suits, we may be subject to injunctions preventing us from selling our products, resulting in a decrease in revenues, or to damages which may be substantial. Either event would adversely affect our financial position, results of operations or liquidity.

5. We expect the COVID-19 pandemic to continue to materially affect our financial performance in future periods and it may otherwise have material adverse effects on our results of operations, financial condition, and/or our cash flows.

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

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

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

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

Further, as COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "Risk Factors" section.

6. We face intense competition and may not be able to keep pace with the rapid technological changes in the medical devices industry.

The medical device market is intensely competitive and is characterized by extensive R&D and rapid technological change. Our competition varies by market, geographic areas and type of product. Our customers consider many factors when choosing suppliers, including product quality, technology, breadth of product portfolio, cost, delivery and service, as well as quality and depth of senior level relationships, and other business factors. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. Any quality problems with our processes, goods and services could harm our reputation for producing high-quality products and erode our competitive advantage, sales and market share. The markets in which we operate are highly competitive in terms of pricing, product and service quality, product development and introduction time, customer service, financing terms and shifts in market demands, and competitors are increasingly offering services for our installed base.

We face competition from both domestic and international companies. Due to our diversified product portfolio, we compete with various companies for each of our business segments. Our competitors range from small start-up companies to larger companies which have significantly greater resources and broader product offerings than us, and we anticipate that in the coming years, other large companies will enter certain markets in which we currently hold a strong position. Furthermore, our industry has experienced significant consolidation in recent years. Certain of our competitors have been able to expand their portfolio of products and services through this consolidation process, and they are able to offer customers a broader range of products and services than we can, thereby, in some instances, providing them a competitive advantage in the market. In addition, we expect that competition will continue to intensify with increasing price competition and consolidation among healthcare providers. In addition, with the introduction of the PLI scheme by the Government that incentivizes manufacturers of medical devices, more companies may enter the industry and set-up greenfield projects to avail certain benefits.

Pharmaceutical alternative treatments compete vigorously with traditional procedures, such as those carried out with our products. Some pharmaceutical companies, academic and research institutions, or others, may develop new, non-invasive therapies that are more effective, more convenient or less expensive than our current or future products. The introduction of new technologies and more cost effective process technologies by our competitors, along with these new therapies may result in increased competition. They may also be able to manufacture products more efficiently, using environment friendly raw material or manufacture substitutes for our products at more competitive prices. Any such developments could have a material adverse effect on our business, financial condition and results of operations.

7. If we fail to cost-effectively develop widespread brand awareness and maintain our reputation, or if we fail to achieve and maintain market acceptance for our products, our business could suffer.

We believe that developing and maintaining widespread awareness of our brand and maintaining our reputation for providing access to high quality medical devices in a cost-effective manner is critical to attracting new customers and maintaining our existing relationships. Our business and revenue are significantly dependent on growing and maintaining our base of customers. Market acceptance of our products and customer acquisition depends on our marketing capabilities and brand awareness including with respect to the distinct features of our products, ease-of-use, cost efficiency and quality compliance. If we are not successful in demonstrating to existing and potential customers the benefits of our products, we could experience lower than expected sales, including due to termination of existing contracts with customers.

Our brand promotion activities may not generate awareness or increase revenue and, even if they do, any increase in revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, we may fail to attract or retain customers necessary to realize a sufficient return on our brand-building efforts or to achieve the widespread brand awareness that is critical for broad adoption of our products. Our marketing efforts depend significantly on referral from our current customers, and any failure in product quality or adverse publicity regarding us or our products, could adversely impact our business and growth prospectus.

8. We depend on distributors for sale of our products. Failure to establish and maintain relationships with distributors would materially and adversely affect our business, financial condition and results of operations.

We depend on distributors for sale of our products as almost all our sales outside India are carried out through our network of distributors. As our existing distribution agreements expire, we may be unable to renew with our desired distributors on favorable terms or at all. In addition, we seek to limit our dependence on any single distributor by limiting and periodically redefining the scope of each distributor’s territory and the range of our products that it sells, which may make us less attractive to some distributors. We also compete for distributors domestically and internationally with other leading medical equipment and device companies that may have higher visibility, greater name recognition and financial resources, and a broader product selection.

At times, we may also become engaged in contract disputes or other negotiations with distributors, including distributors for the businesses we acquired. Consequently, establishing relationships with new distributors, maintaining relationships with existing distributors and replacing distributors may be difficult and time consuming. Any disruption of our distribution network, including our failure to renew distribution agreements on favorable terms or our failure to successfully negotiate contract disputes, could negatively affect our ability to effectively sell our products and could materially and adversely affect our business, financial condition and results of operations.

9. ***Our future growth is dependent upon our R&D capabilities and development of new products and enhancement of existing products, and a failure to effectively develop and commercialize new products, would materially and adversely affect our business, financial condition, results of operations and prospects.***

The medical device market is developing rapidly and related technology trends are constantly evolving. This results in frequent introduction of new products, short product life cycles and significant price competition. Our R&D is focused on developing environment friendly alternatives and cost effective processes involving minimal wastage for manufacturing disposable medical devices and constantly developing new designs, processes and models for such manufacture. Consequently, our long-term operating results and competitive position depend substantially upon our ability to continually develop, introduce, and market new and innovative products, services and platforms, to modify existing products and services, to customize products and services, to increase our productivity to anticipate and respond to market and technological changes driven by trends such as increased digitization or automation, or by developments such as climate change that present both risks and opportunities for our businesses.

We expect the medical device market to continue evolving toward newer and more advanced products, many of which we do not currently produce. To develop new products, we may acquire, through acquisitions, products and technologies that are not currently incorporated in our existing product lines. Development of new products and enhancement of existing products requires significant investment in R&D. We spent ₹ 100.48 million, ₹ 101.49 million, ₹ 119.42 million, ₹ 84.62 million and ₹ 93.70 million in Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2019 and 2020, respectively, towards our R&D activities. Commercialization of any new product requires relevant government approvals, the timing of which may not be under our control, and is subject to change from time to time. Moreover, it may take an extended period of time for our new products to gain market acceptance, if at all. Further, as the life cycle for a product matures, the average selling price generally decreases. Although we have previously partially offset the effects of declining average selling prices with increases in sales volume and reductions in manufacturing cost, we may be unable to sustain this practice. Lastly, during a product's life cycle, problems may arise regarding regulatory, intellectual property, product liability or other issues which may affect its continued commercial viability.

Our success in developing and commercializing new products is determined primarily by our ability to:

- accurately assess trends and customer needs and meet market demands;
- optimize our manufacturing and procurement processes to predict and control costs;
- manufacture and deliver products in a timely manner;
- increase customer awareness and acceptance of our products;
- effectively manage our brands;
- minimize the time and costs required to obtain required regulatory clearances or approvals;
- anticipate competitive trends to compete effectively with other medical device developers, manufacturers and marketers;
- price our products competitively, including providing financing to our customers;
- obtain appropriate intellectual property protection for our products and processes;
- effectively integrate acquired technology or products into our manufacturing, sales and distribution network; and
- effectively integrate customer feedback into our research and development planning.

There can be no assurance that any products now in development or that we may seek to develop in the future will achieve technological and commercial feasibility, obtain regulatory approval or gain market acceptance. If we are unable to develop and launch new products and enhanced products, our ability to maintain or expand our market position in the markets in which we participate may be materially adversely impacted. A delay in the development or approval of new products and technologies may adversely impact the contribution of these technologies to our future growth. Additionally, certain products or groups of products, in particular new products or enhancements of existing products, may have a disproportionate impact on our business, financial condition and results of operations. Increasing regulatory requirements, launch delays and inability to effectively scale manufacturing and achieve targeted margins with respect to any of these products or groups of products in particular may materially adversely impact on our business, financial condition and results of operations.

10. The availability of look-alikes, counterfeit healthcare devices, primarily in our domestic market, manufactured by other companies and passed off as our products, could adversely affect our goodwill and results of operations.

We are exposed to the risk that entities in India and elsewhere could pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit healthcare devices, including spurious or pirated products. For instance, certain entities could imitate our brand name, packaging material or attempt to create lookalike products. Similarly, we may be unable to protect our trade secrets, including product specifications, which if obtained by counterfeiters, could be used to create products that are substantially similar to ours. This would not only reduce our market share due to replacement of demand for our products, whereby we may not be able to recover our initial development costs or experience loss in revenues but could also harm the reputation of our brands. The measures we take to protect our brands and other intellectual property include relying on Indian laws and initiating legal proceedings, may not be adequate to prevent unauthorised use of them by third parties. Detecting and protecting against the unauthorised use of our products, technology and proprietary rights is expensive, difficult and, in some cases, impossible. The proliferation of unauthorized copies of our products, and the time lost in defending claims and complaints about spurious products could decrease the revenue we receive from our products and have a material adverse effect on our reputation, business, financial condition and results of operations.

11. We are dependent on the continued supply of raw materials, the supply and cost of which can be subject to significant variation due to factors outside our control.

Our business, financial condition and results of operations are significantly impacted by the availability and cost of raw materials, particularly plastic granules, PVC sheets, boxes, medical paper, film and stainless steel tubes. Our cost of raw materials represented 38.84%, 36.74%, 38.68%, 38.17%, and 41.64% of our total expenses in Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2019 and 2020.

Raw material supply and pricing can be volatile due a number of factors beyond our control, including global demand and supply, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and any unanticipated variation in any of these factors could have a material adverse effect on our operations. For instance, volatility in crude oil prices have in the past affected the prices of our raw material and may in the future significantly increase our raw material costs. Further, our ability to counter increases in price of raw materials by using raw material substitutes may be restricted. Even if we are able to obtain substitute raw material, we could incur increased expenditure in procuring them from alternative sources, which could result in reduced profit margins. We may be unable to pass on this increased expenditure to our distributors. Additionally, there may be no alternate vendors for certain of our raw material and non-availability of any raw material may result in disruption of our manufacturing process.

As we export 70.39% of our products as on December 31, 2020, including to countries in Europe, Australia, Asia, Americas and Africa, we need our raw material to meet the quality standards prescribed in these countries. In respect of the products that we sell domestically, we are required to meet with quality standards prescribed by the GoI. If we are unable to obtain adequate supplies of raw material in a timely manner or on commercially acceptable terms, or if there are significant increases in the prices of the raw material, our business and results of operations may be materially and adversely affected. To the extent that we are unable to secure adequate supplies of raw material which meet our quality standards, or are unable to pass on the price increases to our distributors, our results of operations and financial condition may be adversely affected.

12. Our reliance on third party raw material suppliers, exposes us to certain risks.

We rely on third parties for the supply of raw materials. Our ability to identify and build relationships with reliable vendors contributes to our growth and our successful management of our inventory as well as other aspects of our operations. Our raw material comprise stainless steel tubes and FEP compound that we source from third-parties based on purchase orders and without any long-term contracts with these suppliers.

Our raw material suppliers may fail to consistently deliver products of acceptable quality and within stipulated schedules, which may adversely affect our operations. Although we have initiated an in-house supplier approval process, we cannot assure you that this process would enable us to identify reliable suppliers. We may be required to replace a supplier if its products do not meet our safety, quality or performance standards or if a supplier should unexpectedly discontinue operations due to reasons beyond its or our control (including financing constraints caused by credit market conditions).

Factors such as the financial instability of suppliers, non-compliance with applicable laws, trade restrictions, labour disputes, currency fluctuations, changes in tariff or import policies, severe weather, political uncertainty, terrorist attacks and transport capacity and cost may disrupt our supply chains, which may result in increased costs or delivery delays. Further, increase in competition and/or our competitors having established operations and long-term relationships with suppliers may see us facing challenges to secure adequate supply of raw materials or may increase our overall cost of raw materials. Therefore, there is no assurance that third party suppliers will be able to meet their contractual commitments to us, or that we will not be required to incur additional costs to remedy any deficiencies in their services or to obtain alternative sources of supply in the event that our contracted suppliers should default or be delayed in their performance. A significant disruption in supply of raw material or contract labour may, in turn, disrupt our operations and adversely affect our inventory management, business and financial condition, at least until alternative sources of supply of goods and services are arranged.

13. We are subject to a number of market, business, financial, legal and regulatory risks and uncertainties with respect to our international operations that could have a material impact on our business, financial condition or results of operations.

Revenue generated from sales outside India represented 75.56%, 72.89%, 72.61%, 71.75%, and 70.39% of our revenue from operations in Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2019 and 2020, respectively. An important part of our strategy is to continue pursuing growth opportunities and market share outside of India by expanding global presence and we are currently in the process of setting-up a branch office in the United States. Our international operations are subject to a number of market, business and financial risks and uncertainties, including those related to our use of distribution partners, geopolitical and economic instability, foreign currency exchange and interest rate fluctuations, competitive product offerings, local changes in medical device delivery systems, local product preferences and requirements, including preferences for local manufacturers, workforce instability, weaker intellectual property protection in certain countries and longer accounts receivable cycles. Such risks and uncertainties may adversely impact our ability to implement our growth strategy in these markets and, as a result, our sales growth, market share and operating profits from our international operations may be adversely affected.

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

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

Any significant changes in the political and economic, financial, competitive, legal and regulatory conditions where we conduct, or plan to expand, our international operations may have a material impact on our business, financial condition or results of operations.

14. We are subject to product liability exposure and have limited insurance coverage. Any product liability claims or regulatory actions could be costly and time-consuming to defend, damage our reputation and materially and adversely affect our business, financial condition and results of operations.

Our main products are medical devices used in treating and monitoring patients, exposing us to potential product liability claims if their use causes or results in, or is alleged to have caused or resulted in, in each case either directly or indirectly, personal injuries or other adverse effects. Any product liability claims or regulatory actions could be costly and time-consuming to defend. If successful, product liability claims may require us to pay substantial damages. We maintain limited product liability insurance to cover potential product liability arising from the use of our products. As a result, future liability claims could be excluded or could exceed the coverage limits of our policy. As we expand our sales internationally and increase our exposure to these risks in many countries, we may be unable to maintain sufficient product liability insurance coverage on commercially reasonable terms, or at all. A product liability claim or potential safety-related regulatory action, with or without merit, could result in significant negative publicity and materially and adversely affect the marketability of our products and our reputation, as well as our business, financial condition and results of operations.

Moreover, a material design, manufacturing or quality failure or defect in our products, other safety issues or heightened regulatory scrutiny could each warrant a product recall by us and result in increased product liability claims. If authorities in the countries where we sell our products decide that any of our products fail to conform to applicable quality and safety requirements, we could be subject to regulatory action. Violation of product quality norms and safety requirements may subject us to confiscation of related earnings, penalties, and an order to cease sales of the violating product or to cease operations pending rectification. Further, if the violation is determined to be serious, our material licenses, including to manufacture or sell our products, could be suspended or revoked. Successful medical liability claims could result in substantial damage awards that could adversely harm our reputation, business prospects, results of operations and financial condition.

Any liability claim brought against us, with or without merit, could result in reputational damage, and even unsuccessful claims could result in substantial costs and diversion of management resources. A successful claim not fully covered by our insurance could have a negative impact on our liquidity, financial condition, and results of operations.

15. If we fail to accurately project demand for our products, we may encounter problems of inadequate supply or oversupply, which would materially and adversely affect our financial condition and results of operations, as well as damage our reputation and brand.

Our distributors typically order our products on a purchase-order basis. We project product demand based on rolling distributor projections, our understanding of anticipated hospital procurement spending, and distributor inventory levels. However, our lack of significant order backlog and the varying sales and purchasing cycles of our distributors and other customers make it difficult for us to accurately forecast demand.

In countries where we lack a direct sales force, our demand projections are generally less reliable than in countries where we have a direct sales force because we have less available information on which to base our projections. Specifically, we lack consistently reliable information regarding international distributor inventory levels in these markets, and occasionally lack extensive knowledge of local market conditions or about distributor purchasing patterns, preferences, or cycles. Further, as shipping finished products to international distributors typically takes longer than shipping to domestic distributors, inaccurate demand projections can result more quickly in unmet demand. We additionally may have unpredictably large tender sales orders for which we may have insufficient inventory to fill along with the additional orders in our pipeline.

If we overestimate demand, we may purchase more raw materials or components than required. If we underestimate demand, our third-party suppliers may have inadequate raw material or product component inventories, which could interrupt our manufacturing and delay shipments, and could result in lost sales. In particular, we are seeking to manage our procurement and inventory costs by matching our inventories closely with our projected manufacturing needs and by, from time to time, deferring our purchase of raw materials and components in anticipation of supplier price reductions. As we seek to balance inventory costs and production flexibility, we may fail to accurately forecast demand to predict and maintain appropriate levels of inventory reserve, which could cause uneven and unpredictable sales flow or could affect our ability to coordinate our procurement and production to meet demand on a timely basis. Our inability to accurately predict or timely meet demand could materially and adversely affect our financial conditions and results of operations as well as damage our reputation and brand.

16. Our business is dependent on certain principal customers and the loss of, or a significant reduction in purchases by such customers could adversely affect our business, financial condition, results of operations and future prospects.

A majority of our revenue is derived from our top 10 customers. Revenue generated from sales to our top five customers represented 18.22% and 17.15%, and to top 10 customers represented 32.55% and 29.10%, respectively, of our revenue from operations in the nine months ended December 31, 2019 and 2020. Our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors. Since we are largely dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers or a significant reduction in demand from such customers could have a material adverse effect on our business, financial condition, results of operations and future prospects.

We face the risk of the loss of all or any of our customers as we do not enter into any long-term agreements with our customers, and are dependent on our relationships with them. Relationships with our customers could be adversely affected by various factors, including delays on our part with respect to completion of the orders placed; failure to renew our existing arrangements with one or more of our significant customers; and failure to renegotiate favourable terms with our key customers, all of which could have a material adverse effect on our business, financial condition, results of operations and future prospects. Further, since our business is presently concentrated among a few significant customers, we may also experience reduction in cash flows and liquidity if we lose one or more of our top customers due to any dispute with respect to our contractual arrangements.

Additionally, the loss of any key customer may significantly affect our revenues and we may have difficulty securing comparable levels of business from other customers or may not be able to secure new customers in a timely manner or at all to offset any loss of revenue from the loss of any of our key customers, including our largest customer or even our top five customers. We may also not be able to easily re-allocate our resources and assets in a timely or efficient manner. Additionally, in order to retain some of our significant customers we may also be required to offer terms to them that may place restraints on our resources and reduce our profitability.

The occurrence of any of the above may have a significant adverse impact on our business, financial condition, results of operations and future prospects.

17. Our indebtedness and imposition of certain restrictive covenants in our debt financing arrangements could adversely affect our financial condition and results of operations.

As on December 31, 2020, our total long-term borrowings from banks and financial institutions amounted to ₹ 755.57 million, while our total short-term borrowings from banks amounted to ₹ 1,081.29 million. Our leverage has several important consequences, including the following:

- a portion of our cash flows being utilized towards repayment of our existing debt, this reduces the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favorable to us may be limited;
- fluctuations in market interest rates will affect the cost of our borrowings, as a majority of our indebtedness is subject to floating interest rates;
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions;
- we may have difficulty satisfying payment and other obligations under our existing financing arrangements and an inability to comply with these requirements could result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets; and
- we may be restricted from making dividend payments to our shareholders under certain circumstances.

The majority of our indebtedness is secured against our immovable and movable properties, including our manufacturing facilities. Many of our financing agreements include various conditions and covenants restricting certain activities and certain transactions. Specifically, we may require, and may be unable to obtain, lender consents to incur additional debt, change our capital structure, undertake any expansion, provide additional guarantees, change our management structure, change of the constitutional documents, merge with or acquire other companies, or distribute dividends under certain circumstances, whether or not there is any failure by us to comply with the other terms of such agreements. Further, under certain of these agreements, our lenders have the right to appoint a director on our board of directors in case of a continuing default.

In the event of any breaches of conditions and covenants in our loan agreements, various remedies are available to lenders, as a consequence of these breaches, including termination of our credit facilities, acceleration of all amounts due under such facilities and trigger of cross default provisions under certain of our other financing agreements, or may lead to an enforcement of any security provided, including any security over our manufacturing facilities. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under the financing documents, thereby reducing the availability of our cash flow to meet working capital requirements and use for other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. If the obligations under any of our financing documents are accelerated it may also result in a decline in the trading price of the Equity Shares and you may lose all or part of your investment.

18. Certain of our manufacturing facilities in India are located in close proximity to each other in a particular region and any adverse development affecting such region may have an adverse effect on our business, prospects, financial condition and results of operations.

All our manufacturing facilities in India are located in the northern part of India across two states of Haryana and Uttarakhand. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state or local governments in this region could adversely affect manufacturing activities at our manufacturing facilities, result in modification of our business strategy, or require us to incur significant capital expenditure. Any such adverse development affecting continuing operations at our manufacturing facilities could result in significant loss from inability to meet customer contracts and production schedules and could materially affect our business reputation within the industry. We cannot assure you that there will not be any significant disruptions in our operations in the future. The occurrence of, or our inability to effectively respond to, any such event, could have an adverse effect on our business, results of operations, financial condition and cash flows.

19. Failure to maintain strong working relationships with healthcare professionals could adversely impact our product development and sales and marketing efforts.

If we fail to maintain our working relationships with physicians and other healthcare professionals, many of our products may not be developed and marketed in line with the needs and expectations of the professionals who use and support our products. The research, development, marketing and sales of many of our new and improved products is dependent upon our maintaining working relationships with physicians as well as other healthcare professionals, including hospital purchasing agents, who are becoming increasingly instrumental in making purchasing decisions for our products. We rely on these professionals to provide us with considerable knowledge and experience regarding our products and the marketing and sale of our products. Physicians also assist us as researchers, consultants, advisory board members, inventors and as public speakers. If we are unable to maintain our strong relationships with these professionals and continue to receive their advice and input, the development and marketing and sales of our products could suffer, which could have a material adverse effect on our financial condition and results of operations. Our relationships with physicians and other healthcare professionals and other providers that use our products are regulated by the Uniform Code of Pharmaceutical Marketing Practices and Central Drug Standards Control Organization and foreign laws. Failure to comply with such legislations could result in criminal or civil penalties and exclusion from healthcare programs.

20. Our operations are subject to environmental, health and safety laws and regulations in jurisdictions where we operate.

Our operations are subject to various international, national state and local laws and regulations relating to environmental protection, occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes, in the various locations in India and other jurisdictions where we operate. For example, we require consents to establish and operate under the Water (Prevention and

Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Hazardous and Other Wastes (Management, Transboundary Movement) Rules, 2016, the Bio-Medical Waste Management Rules, 2016, as well as the Environment Protection Act, 1986 and the Environment Protection Rules, 1986 and registrations with relevant tax and labour authorities in India. Our operations, facilities and properties in China and Italy are also subject to local environmental and occupational health and safety laws and regulations. Further, these permits, licenses and approvals are issued for certain fixed periods of time and may expire from time to time in the normal course of our business. There can be no assurance that these relevant authorities will issue such permits in a timely manner or at all. Failure by us to maintain or renew or obtain requisite permits, licenses or approvals may result in the interruption of our operations and could have a material adverse effect on our business, financial condition, result of operations and cash flows.

Further, our licenses and approvals impose certain conditions on us, the compliance of which may result in material increase in our cost of production and its non-compliance may result in the interruption of our operations. Environmental laws and regulations in India and internationally, have become increasingly stringent and it is possible that they will become significantly more stringent in the future. For instance, we may be mandatorily required to use environment-friendly substitutes for PVC plastic, which is the primary raw material for our products. Stricter laws and regulations or stricter interpretation of the existing laws and regulations may impose new liabilities on us or result in the need for additional investment in environmental protection equipment, either of which could affect our business, financial condition or prospects.

21. If we are unable to collect our dues and receivables from our clients, our results of operations and cash flows could be adversely affected.

We extend credit to certain of our distributors and retailers. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have relatively high levels of outstanding receivables and there may be an impact on our cash flow statement. Our trade receivables for Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2019 and 2020 were ₹ 1,125.43 million, ₹ 1,283.82 million, ₹ 1,271.17 million, ₹ 1,313.81 million and ₹ 1350.22 million, respectively. Our average debtor cycle was 81 days, 80 days, 70 days, 72 days and 65 days in Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2019 and 2020, respectively. If a significant portion of our distributors default in making these payments our profits margins could be adversely affected. Our financial position and profitability therefore depend on the credit-worthiness of our distributors and retailers.

Certain of these distributors and retailers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, if at all. Any change in the financial condition of these counterparties that adversely affects their ability to pay us may materially adversely affect our results of operations and financial condition. There is no guarantee that we will be able to accurately assess the creditworthiness of our clients. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause clients to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Further, we cannot assure you that in the future we will not extend credit to our customers and distributors.

22. Failure to integrate acquired businesses into our operations successfully could adversely affect our business, financial condition and operating results.

As part of our strategy to expand our product portfolio and distribution network, we completed the acquisition of Plan1 Health SRL in Fiscal 2018 and may pursue additional acquisitions in the future. Our integration of acquired businesses requires significant efforts, including corporate restructuring and the coordination of information technologies, R&D, sales and marketing, operations, regulatory, supply chain, manufacturing, quality systems and finance. These efforts result in additional expenses and involve significant management time. Some of the factors that could affect the success of our acquisitions include, among others, the effectiveness of our due diligence process, our ability to execute our business plan for the acquired companies, the strength of the acquired technology, results of clinical trials, regulatory approvals, the continued performance of critical transition services, our ability to adequately fund acquired in-process R&D projects and retain key employees and our ability to achieve synergies with our acquired companies, such as increasing sales of our products, achieving cost savings and effectively combining technologies to develop new products.

In addition, foreign acquisitions involve unique risks, including those related to integration of operations across different geographies, cultures and languages, currency risks and risks associated with the economic, political, legal and regulatory environment in specific countries. Our failure to manage successfully and coordinate the growth of the acquired companies could have an adverse impact on our business and our future growth. In addition, we cannot be certain that the businesses we acquire will become profitable or remain so, and if our acquisitions are not successful, we may record related asset impairment charges in the future or experience other negative consequences on our results.

23. We may not be successful in our strategy relating to future strategic acquisitions of, investments in, or alliances with, other companies and businesses, which have been a significant source of historical growth for us, and will be key to our diversification into new markets and technologies.

Our strategic acquisitions, investments and alliances are intended to further expand our ability to offer customers effective and high quality medical devices. These acquisitions, investments and alliances have been a significant source of our growth. If we are unsuccessful in our acquisitions, investments and alliances, we may be unable to grow our business. The success of our strategy relating to future acquisitions, investments or alliances will depend on a number of factors, including our ability to identify suitable opportunities for acquisition, investment or alliance, if at all; to manage acquisition, investment or alliance opportunities and prioritize those investments to execute our strategy; to manage our due diligence process to uncover potential issues with targets; to finance any future acquisition, investment or alliance on terms acceptable to us, if at all; to complete acquisitions, investments or alliances in a timely manner on terms that are satisfactory to us, if at all; to successfully integrate and operate acquired businesses; to successfully identify and retain key target employees; to comply with applicable laws and regulations, including foreign laws and regulations, and; to protect intellectual property and to prevail in litigation related to newly acquired technologies.

Any potential future acquisitions we consummate may be dilutive to our earnings and may require additional debt or equity financing, depending on their size or nature.

24. Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition.

Our principal types of coverage include damage to manufacturing facilities due to fire, earthquake, product liability, money for the payment of wages, salaries and marine insurance to cover our products while they are in transit to distributor or customer locations. We cannot assure you that any claim under the insurance policies maintained by us will be covered entirely, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "***Business – Insurance***" on page 131.

25. We are dependent on third-party transportation providers for the supply of raw materials and delivery of our finished products.

Our success depends on the supply and transport of the various raw materials required for our manufacturing facilities and of our finished products from our manufacturing facilities to our customers and distributors, which are subject to various uncertainties and risks. We use third-party freight and transportation providers for the delivery of our products and transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our dealers and suppliers.

In addition, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be a delay in delivery of raw materials and products which may also affect our business and results of operations negatively. In the event we fail to maintain a sufficient volume of raw materials and delivery of such materials to us is delayed, we may be unable to meet our purchase orders in a timely manner or at all, which may result in loss of sales opportunities that our competitors may capitalize on, thereby adversely affecting our business, financial condition, results of operations, and cash flows. Any compensation received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers and distributors.

We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. Our freight costs were ₹ 50.56 million, ₹ 44.45 million, ₹ 52.02 million, ₹ 38.28 million and ₹ 45.37 million in Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2019 and 2020, respectively, and represented 0.74% and 0.79% of our revenue from operations in such years, respectively. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

26. A significant portion of our sales are derived from the export of our products to Europe and any adverse developments in this market or other overseas markets could adversely affect our business.

We have historically derived a significant portion of our sales from the export of our products to Europe. In Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2020, we derived 40.31%, 39.60%, 43.66% and 45.62% of our total sales from export of our products to Europe. Accordingly, any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state or local government in this region could adversely affect our product sale and distribution activities, result in modification of our business strategy, or require us to incur significant capital expenditure, which will in turn have a material adverse effect on our business, financial condition and results of operations. Any such adverse development affecting our operations could result in significant loss, which could materially affect our business reputation within the industry. Further, our sales from this region may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations and financial condition. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

27. Our products are continually subject to clinical trials and other analyses conducted by us, our competitors or other third parties, the results of which may be unexpected, or perceived as unfavorable by the market, and could have a material adverse effect on our business, financial condition or results of operations.

As a part of the regulatory process of obtaining marketing clearance for new products and new indications for existing products, we conduct and participate in numerous clinical trials with a variety of study designs, patient populations and trial endpoints. Unexpected or inconsistent clinical data from existing or future clinical trials or other analyses conducted by us, by our competitors or by third parties, including acquired businesses prior to acquisition by us, or the market's perception of this clinical data, may adversely impact our ability to obtain product approvals, our position in, and share of, the markets in which we participate and our business, financial condition, results of operations or future prospects.

28. Evolving government regulations and policies may increase costs or negatively impact our results of operations.

In a regulatory climate that is uncertain, our operations may be subject to direct and indirect adoption, expansion or re-interpretation of various laws and regulations. Compliance with these future laws and regulations may require us to change our practices at an undeterminable and possibly significant initial and recurring monetary expense. These additional monetary expenditures may increase future overhead, which could harm our results of operations.

The regulations applicable to our existing and future products may also change. Any change in the regulations, enforcement procedures or regulatory policies set by the Medical Devices Rules, 2017, Drug, and Cosmetic Act, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and other regulatory agencies could increase the costs or time of development of our products and delay or prevent sales of our products. For instance, in February 2020, the Indian Central Drugs Standard Control Organisation ("**CDSCO**") amended the list of products falling under medical device regulation. All medical devices except those specified in the Annexure A of Eighth Schedule of Medical Devices Rules, 2017 as amended in 2020 would be treated as 'non-scheduled formulations' under the Drug Price Control Order, issued by the Government of India. As a result, the prices of such medical devices cannot be increased by more than 10% within a given 12-month period.

(*Source: CRISIL Report*) We cannot predict the effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted, may have on our business in the future.

Further, we have identified what we believe are areas of government regulation that, if changed, could be costly to us. These include, licensing standards, privacy laws, regulatory framework and trade agreements and treaties with countries. There could be laws and regulations applicable to our business that we have not identified or that, if changed, may be costly to us, and we cannot predict all the ways in which implementation of such laws and regulations may affect us.

In the jurisdictions in which we operate, we believe we are in compliance with all applicable laws, but, due to the uncertain regulatory environment, certain jurisdictions may determine that we are in violation of their laws. In the event that we must remedy such violations, we may be required to modify our products in a manner that undermines the competency of our products, or else we may become subject to fines or other penalties or, if we determine that the requirements to operate in compliance in such jurisdictions are overly burdensome, we may elect to terminate our operations in such places. In each case, our revenue may decline and our business may be adversely affected.

Additionally, the introduction of new products may require us to comply with additional, yet undetermined laws and regulations. Compliance may require obtaining appropriate licenses or certificates, increasing our security measures and expending additional resources to monitor developments in applicable rules and ensure compliance. The failure to adequately comply with these future laws and regulations may delay or possibly prevent some of our products from being offered, which could harm our business.

In response to perceived increases in health care costs in recent years, there have been and continue to be proposals by the governments, regulators and third-party payers to control these costs and, more generally, to reform the health care system. Certain of these proposals could, among other things, limit the prices we are able to charge for our products and could limit the acceptance and availability of our products. The adoption of some or all of these proposals could have a material adverse effect on our business, results of operations, financial condition and cash flows.

29. We rely on third parties to manufacture certain of our products. Any failure by or loss of a third party manufacturer could result in delays and increased costs, which may adversely affect our business.

We rely on third parties to manufacture certain of our products. For instance, a portion of our manufacturing process is undertaken by Vitromed. We depend on Vitromed and other third party manufacturers to allocate to us a portion of their manufacturing capacity sufficient to meet our needs, to produce products of acceptable quality and at acceptable manufacturing yields and to deliver those products to us on a timely basis and at acceptable prices. However, we cannot guarantee that these third party manufacturers will be able to meet our near-term or long-term manufacturing requirements, which could result in lost sales and have an adverse effect on our business.

Other risks associated with our reliance on third parties to manufacture these products include, reliance on the third party for regulatory compliance and quality assurance, misappropriation of our intellectual property, limited ability to manage our inventory, possible breach of the manufacturing agreement by the third party and the possible termination or non-renewal of the manufacturing agreement by the third party at a time that is costly or inconvenient for us. Moreover, if any of our third party manufacturers suffer any damage to facilities, lose benefits under material agreements, experience power outages, encounter financial difficulties, are unable to secure necessary raw materials from their suppliers or suffer any other reduction in efficiency, we may experience significant business disruption. In the event of any such disruption, we would need to seek and source other qualified third party manufacturers, likely resulting in further delays and increased costs which could affect our business adversely.

30. There are outstanding proceedings involving our Company, and any adverse outcome in any of these proceedings may adversely affect us.

There are outstanding legal proceedings involving our Company that are incidental to our business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals, quasi-judicial authorities and appellate tribunals. We cannot assure you that these legal proceedings, or any other legal proceedings that we may be involved in future will be decided in favor or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may adversely affect our profitability, reputation, the trading price of our Equity Shares, business, results of operations and financial condition.

31. Our inability to attract and retain key personnel and employees could adversely affect our operations, financial condition and results of operations.

We are dependent on our management, including Mr. Himanshu Baid, our Managing Director and Mr. Rishi Baid, our Joint Managing Director and our skilled personnel, including members of our technical, research, sales and management staff and our employees for the smooth running of our business and our ability to compete effectively. Further, we rely on our skilled employees for several aspects of our manufacturing process. Therefore, retaining the services of our skilled personnel, including engineers and technicians, is a high priority and competition to retain skilled employees will likely result in increased personnel expenses. We may not be able to continuously attract qualified personnel or retain such personnel on acceptable terms, given the rising demand for such personnel and compensation levels in the industry. If we are not able to attract and retain qualified personnel, our results of operations may be adversely affected. Although we believe we enjoy good relations with our staff and employees, we cannot assure you that such relations will not be disrupted.

We plan to increase the number of sales and other staff to execute our growth strategies. However, there can be no assurance that we will be successful in recruiting or retaining an optimum number of sales personnel required for our operations. Although we focus on developing skills, building motivation and inculcating leadership amongst our employees and key personnel, we cannot assure you that we would be successful in attracting, recruiting and retaining such key employees, which may result in an adverse effect on our business and results of operations.

32. Significant disruptions of information technology systems or breaches of data security could adversely affect our business.

Our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. For instance, we have implemented an ERP system, to handle purchase of goods, services, inventory, supply chain management, invoicing, accounting, payments, collections, reconciliation, taxation, regulatory compliance, human resources management and other business functions. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. While there have not been any major disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons.

33. Export destination countries may impose varying duties on our products. Any increase in such duties may adversely affect our business and results of operations. Further, changes or uncertainty in international trade policies or tariffs could disrupt our global operations or negatively impact our financial results.

A significant percentage of our products are sold in various countries and markets outside India, including in countries and markets in North America, Europe and Latin America. These destination countries and markets for our products may impose varying duties and other levies on our products, which may affect our ability to compete with local manufacturers and other competitors with more widespread operations that may enable them to coordinate delivery and supplies from strategically located manufacturing facilities in a more cost competitive manner. Our foreign operations expose us to a number of risks related to trade protection laws, tariffs, excise or other border taxes on products exported to certain countries. Changes or uncertainty in international trade policies or tariffs could impact our global operations, as well as our customers. We may be required to incur additional costs to manufacture and distribute certain of our products. There can be no assurance that the duties or other levies imposed on our products by such destination countries will not change or increase, or that such change or increase will not adversely affect our business and results of operations.

34. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. We cannot assure you that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely affect our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, which may in turn adversely affect our business, financial condition or results of operations.

35. We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.

As of December 31, 2020, our contingent liabilities not provided for were as follows:

Particulars	**Amount (₹ million)**
Compensation for enhanced cost of Land contested in Punjab and Haryana High Court (amount paid ₹ 0.23 million, previous year ₹ 0.23 million)	0.93
Demand from National Pharmaceutical Pricing Authority (Net)	7.68
Total	**8.62**

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further information, see "***Financial Information***" on page 204.

36. Under-utilization of our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

As of December 31, 2020, we operate eight manufacturing facilities across India, China, Egypt and Italy. In India, we operate five manufacturing facilities, three of which are situated at Faridabad (Haryana), and one each in Jaipur (Rajasthan) and Haridwar (Uttarakhand). Our ability to maintain our profitability depends on our ability to (i) maintain our high capacity utilization; (ii) optimize the product mix to support high-margin products and products with consistent long-term demand; (iii) and demand and supply balance of our principal products in the principal and target markets. In particular, the level of our capacity utilization can impact our operating results. High capacity utilization allows us to spread our fixed costs, resulting in a high gross profit margin. Our product mix also affects capacity utilization of our manufacturing facilities, and the demand and supply balance and the average selling prices of our products, would in turn affect our gross profit margin.

Our capacity utilization is affected by the availability of raw materials, industry/ market conditions as well as by the product requirements of, and procurement practice followed by our customers. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Our capacity utilization levels is also dependent on our ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize our capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilise our capacity efficiently.

In Fiscal 2020 our overall capacity utilization was 81.87%. For further information, see "***Business – Capacity and Capacity Utilization***" on page 128. These rates are not indicative of future capacity utilization rates, which is dependent on various factors, including demand for our products, availability of raw materials, our ability to manage our inventory and implement our growth strategy of improving operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

37. Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations.

Our business requires significant amount of working capital primarily due to the fact that a significant amount of time passes between when we purchase raw materials and sell our finished products. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

As of December 31, 2020, we have availed working capital facilities amounting to ₹ 659.96 million. As we pursue our growth plan, we expect that we will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition. For further information on the working capital facilities currently availed of by us, see "***Financial Information***" on page 204.

38. Our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees. Further, if more stringent labour laws or other industry standards in India become applicable to us, our profitability may be adversely affected.

As on December 31, 2020, we had 1,965 full-time employees. We have in the past had on-site injuries at the premises of our manufacturing facilities. In one instance, the employee suffered a permanent disability and we are currently involved in proceedings for the related claims for reimbursement of medical expenses. For further information, see "***Legal Proceedings – Litigation involving our Company – Litigation Against our Company – Actions by statutory or regulatory authorities***" on page 200. Although we have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

Our operations may not have been conducted in full compliance with applicable law in the past and we may have been subject to regulatory action. For instance, we are currently contesting allegations of overcharging on our spinal needle product in 2014 before the National Pharmaceuticals Pricing Authority, and are also involved in proceedings following a complaint by a local Drug Inspector alleging irregularities with one of our products. For further information, see "***Legal Proceedings – Litigation involving our Company – Litigation Against our Company – Actions by statutory or regulatory authorities***" on page 200. There can be no assurance that we will not be subject to any adverse regulatory action in the future. We are subject to multiple regulators and numerous labour related laws that may differ from state to state across our operations. Thus, due to the possibility of varied interpretations of the applicable regulations by regulators and authorities, we may be subject to penalties and our business could be adversely affected.

39. There are several restrictions on SEZs and underlying SEZ land in India, which may adversely affect our Jaipur facility.

Our facility at the Jaipur SEZ is classified as an SEZ under the Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006. Our lease for these premises, therefore, restrict our ability to use this location to manufacture products for domestic sales (i.e., other than for exports) or to undertake any new line of business. Under the prevailing law governing SEZs in India, the land area in an SEZ may be demarcated into a processing area for setting up units for manufacture of products or provision of services, or an area exclusively for trading or warehousing purposes, or a non-processing area for other activities. The lease period for space in the processing area or the free trade and warehousing zone within an SEZ has to be for a minimum period of five years. Moreover, the developer cannot remove goods from the SEZ to the domestic tariff area ("**DTA**") without permission from the relevant authority and, where applicable, certain duties are to be paid for clearance of goods in DTA. There are also certain restrictions on transfer of SEZ units, including the requirement to obtain the approval of the relevant authority for any proposed sale or transfer of an SEZ unit and a lock-in period in terms of the SEZ land having been leased for a minimum period of five years and a minimum operating history of at least two years from commencement of operations of the SEZ unit proposed to be sold or transferred.

Further, the approvals received by us to develop, operate and maintain the SEZs are subject to us fulfilling certain conditions, including compliance with environmental safety standards, applicable standards relating to planning, sewage disposal, pollution control, labor laws and execution of certain guarantees. In the event we are unable to comply with the restrictions under the laws governing SEZs in India, our rights to use our units demarcated as SEZs may be suspended or withdrawn and the guarantees provided by us may be invoked against us as a penalty, which may in turn adversely affect our business, financial condition, results of operations and prospects.

40. Two of our manufacturing facilities and offices are located on leased premises. If these leases are terminated, it could have a material adverse effect on our business, financial condition and results of operations.

We have currently obtained on lease two of our manufacturing facilities situated in Jaipur (Rajasthan) and Haridwar (Uttarakhand) and offices. We have entered into long term lease agreements with the State Industrial Development Corporation of Uttarakhand Limited for a term of 90 years, for the land where our Haridwar Facility is located and with Mahindra World City (Jaipur) Limited for a of 90 years, where our Jaipur Facility is located. Though we have entered into long term lease agreements for our properties, we may not be able to renew or extend these agreements at commercially acceptable terms, or at all. Further, we may be required to re-negotiate rent or other terms and conditions of such agreements during their currency. We may also be required to vacate the premises at short notice period prescribed in the lease agreements, and we may not be able to obtain alternate location, in a short span of time. Occurrence of any of the above events may have a material adverse effect on our business, results of operations and financial condition. Further, any adverse impact on the ownership rights of our landlords may impede our effective future operations.

Additionally, our manufacturing facility located in Haridwar (Uttarakhand) is operated on industrial land allotted to us by the State Industrial Development Corporation Uttarakhand Limited, subject to various compliance requirements such as obtaining prior approvals before any major constructions and erections, timely payment of maintenance fees, adhering to the timelines for completion of setting up of the manufacturing facility and commencement, amongst others. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition. For further information, see "***Business – Property***" on page 132.

41. This Placement Document contains information from industry sources including the industry report from CRISIL.

Certain information in "***Industry Overview***," "***Business***" and "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" on pages 99, 119 and 68, respectively, has been derived from the various industry sources and the report titled '*Market Assessment of the Medical Device Industry in India*' issued by CRISIL ("**CRISIL Report**"), pursuant to an engagement with our Company. Neither we nor any other person connected with the Placement Document has verified the information in the CRISIL Report or the other industry sources. Furthermore, these reports are prepared based on information as of specific dates, which may no longer be current or reflect current trends. The CRISIL Report may also base its opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect.

CRISIL has advised that while it has taken due care and caution in preparing the CRISIL Report, which is based on information obtained from sources that it considers reliable (the "**Data**"), it does not guarantee the accuracy, adequacy or completeness of the Data. CRISIL disclaims responsibility for any errors or omissions in the Data or for the results obtained from the use of the Data and consequently for the CRISIL Report as well. The CRISIL Report also highlights certain industry, peer and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely amongst different industry sources. Furthermore, such assumptions may change based on various factors. We cannot assure that CRISIL Report assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Placement Document. Furthermore, the commissioned report is not a recommendation to invest or disinvest in our Company and shall not be construed as an expert advice or investment advice. CRISIL has disclaimed all financial liability in case of any loss suffered on account of reliance on any information contained in the CRISIL Report. Prospective investors are advised not to unduly rely on the CRISIL Report or extracts thereof as included in this Placement Document, when making their investment decisions.

42. Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Placement Document are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Placement Document are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity of our manufacturing facilities. These assumptions and estimates include the standard capacity calculation practice of the medical devices industry after examining the calculations and explanations provided by the Company and the capacities and other ancillary equipment installed at the facilities. Further, the assumptions and estimates taken into account include the following: (i) number of working days in a year - 304; (ii) number of days in a month - 25; (iii) number of shifts in a day - 2; and (iv) number of hours in a shit – 8. In addition the information relating to the actual production at our manufacturing facilities are based on, amongst other things, the examination of our internal production records, the period during which our manufacturing facilities operate in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. Further, capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing facilities as of at the end of the relevant period. Actual manufacturing capacity, production levels and utilization rates may therefore vary from the information of our manufacturing facilities included in this Placement Document or from the historical installed manufacturing capacity information of our manufacturing facilities depending on the product type. Accordingly, undue reliance should not be placed on our historical installed capacity information for our existing facilities included in this Placement Document.

43. We have in this Placement Document included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the Indian medical devices industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance, such as EBITDA, have been included in this Placement Document. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian medical device manufacturing companies, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Placement Document.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other manufacturing companies.

44. We engage contract labour for carrying out certain business operations.

We engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition.

45. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have in the past entered into transactions with certain of our Promoters, relatives of our Promoters, Directors, and enterprises over which our Directors have a significant influence. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

46. Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Our customers may be located in and/ or may enter into transactions with end customers located in, jurisdictions to which certain OFAC-administered and other sanctions apply, such as Iran, Iraq and Syria. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to penalties, and our reputation and future business prospects could be adversely affected. Further, investors in the Equity Shares could incur reputational or other risks as a consequence.

47. We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. investors of our Equity Shares.

We would be classified as a passive foreign investment company ("**PFIC**") for any taxable year if, after the application of certain look-through rules, either: (i) 75% or more of our gross income for such year is "passive income" (as defined in the relevant provisions of the Internal Revenue Code of 1986, as amended), or (ii) 50% or more of the value of our assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income.

Based on the value of our assets and the composition of our income, assets and operations, we believe we were not a PFIC for the taxable year ending on March 31, 2020. However, a separate determination must be made each year as to our Company's PFIC status. Moreover, the PFIC determination depends, among other things, our market capitalization, which could fluctuate significantly. Accordingly, it is possible that we may become a PFIC for the current taxable year or future years. There will likely be certain adverse consequences to U.S. investors under United States tax laws if we were to be a PFIC in any future taxable year in which such U.S. investors hold Equity Shares. In addition, in the event we are treated as a PFIC, U.S. investors will be subject to certain U.S. Internal Revenue Service information reporting obligations. U.S. investors should consult their tax advisors on this matter.

48. Withholding may be imposed on payments on the Equity Shares under the U.S. Foreign Account Tax Compliance Act.

Certain U.S. tax provisions commonly referred to as FATCA may impose 30% withholding on "foreign passthru payments" made by a "foreign financial institution" (an "**FFI**"). Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether or to what extent payments on the Equity Shares would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before the date that is two years after the date of publication in the Federal Register of final regulations defining the term "foreign passthru payment." The United States has entered into an intergovernmental agreement with India (the "**IGA**"), which potentially modifies the FATCA withholding regime described above. Our Company believes that it may be subject to diligence, reporting and withholding obligations under the FATCA rules and the IGA. It is not yet clear how the IGA will address foreign passthru payments. Prospective investors in the Equity Shares should consult their tax advisors regarding the potential impact of FATCA, the IGA and any non-U.S. legislation implementing FATCA on their investment in the Equity Shares.

RISKS RELATING TO INVESTMENT IN INDIA

49. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document.

The financial statements for Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2019 and 2020, presented in this Placement Document are prepared and presented in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Placement Document. Accordingly, the degree to which our financial statements included in this Placement Document provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. In addition, as the transition to Ind AS is recent, there is no significant body of established practice from which we can draw on, in forming judgments regarding the implementation and application of Ind AS, as compared to other established principles generally, or in respect of specific industries, such as the industry in which we operate.

50. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA and the rules thereunder. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Furthermore, in accordance with the Consolidated FDI Policy effective from October 15, 2020, all foreign direct investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India and shall have to be in conformity with the applicable provisions of the FEMA. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. The Indian government may also impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

51. A slowdown in economic growth in India or political instability or changes in the Government in India could adversely affect our business.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns and economic volatility and uncertainty could have a significant negative impact on our results of operations.

52. *Financial instability in other countries may cause increased volatility in Indian financial markets and may have a material adverse effect on our business and the trading price of the Equity Shares.*

The Indian economy is influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, materially and adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could materially and adversely affect our business, prospects, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. In Europe, the exit of the United Kingdom from the European Union, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets. These could include further falls in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets.

There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, as China is one of India's major trading partners, there are rising concerns regarding the United States limiting trade and/or imposing a tariff on imports from China and of a possible slowdown in the Chinese economy. Such factors might also result in a slowdown in India's export growth momentum and could materially and adversely affect our operating results and financial performance.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have a material adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares. Adverse economic developments overseas in countries where we have operations could have a material adverse effect on our business and the trading price of the Equity Shares.

53. *Adverse geopolitical conditions such as increased tensions between India and China, could adversely affect economic, political and trade related conditions in the region our business, results of operations and financial condition.*

Adverse geopolitical conditions such as increased tensions between India and China resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. Our position is further exacerbated given the presence of our manufacturing facility in China. We could also be affected by the introduction of tariffs by countries to which we export our products, or changes in trade agreements between India and China. Moreover, increase in border tension or armed conflicts may further impact the economic and political conditions in the region thereby impacting our business prospects.

54. *Changing laws, rules and regulations and legal uncertainties including adverse application of tax laws and regulations could adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017, that combines multiple taxes and levies by the Central and State Governments into a unified tax structure.

The Government has enacted the GAAR which have come into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. In addition, the implementation of Ind AS is recent and new pronouncements may have a material impact on our profitability going forward and our revenue may fluctuate significantly period over period.

Additionally, under the Finance Act, 2020, dividend distribution tax, will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and likely be subject to tax deduction at source. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

55. Political, economic or any other factors beyond our control may have an adverse impact on our business and results of operations.

We are incorporated in India and we conduct our corporate affairs and our business primarily in India. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. These external risks include:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in government or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war;
- India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in recent years' instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- epidemic or any other public health emergency in India or in countries in the region or globally, including in India's various neighbouring countries;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs
- downgrading of India's sovereign debt rating by rating agencies; and

- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

If such events should impact the national or any regional economies, our business and results of operations would be adversely affected.

RISKS RELATING TO THE ISSUE AND THE EQUITY SHARES

56. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

57. An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognised Indian stock exchange for a period of 12 months from the date of Allotment of the Equity Shares pursuant to the SEBI ICDR Regulations.

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of Equity Shares in this Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an effect on the price and liquidity of the Equity Shares.

58. After this Issue, our Equity Shares may experience price and volume fluctuations.

The offer price of the Equity Shares in this Issue will be determined by us in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Offering is complete. You may be unable to resell your Equity Shares at or above the offer price and, as a result, you may lose all or part of your investment.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian healthcare sector, adverse media reports on us or the Indian healthcare industry, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant development in India's fiscal regulations.

59. Fluctuations in the exchange rate between the Indian Rupees and foreign currencies may have an adverse effect on the trading price of, and returns on, our Equity Shares, independent of our operating results.

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend foreign investors receive. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have a material adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

60. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital

requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends in the future. For further details, see "***Dividend***" on page 67.

61. Any adverse revision to India's debt rating by a domestic or international rating agency could adversely affect our business.

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

62. Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute your shareholding and adversely affect the trading price of our Equity Shares.

Any future issuance of our Equity Shares or convertible securities or other equity linked securities by us, including pursuant to the ESOP Schemes, could dilute your shareholding. Any such future issuance of our Equity Shares or convertible securities or other equity linked securities, including pursuant to the ESOP Schemes, or sales of our Equity Shares by any of our significant Shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or convertible securities, or other equity linked securities or that the Shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

63. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

Further, the Finance Act, 2020 ("**Finance Act**"), passed by the Parliament of India stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders at applicable rates. Such taxes will be withheld by the Indian company paying dividends. Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect the Company's business, financial condition and results of operations.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. See also "***Taxation***" on page 182.

64. Your ability to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Placement Document.

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction, including India. As such, the Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions, which are set forth in this Placement Document under the heading "***Selling Restrictions***" on page 163. We, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

MARKET PRICE INFORMATION

As on the date of this Placement Document, our issued, subscribed and paid-up equity share capital is ₹ 441,234,900 divided into 88,246,980 Equity Shares of ₹ 5 each. The face value of our equity shares is ₹ 5 per equity share. The Equity Shares are listed and traded on the BSE and NSE.

On February 12, 2021, the closing price of the Equity Shares on the BSE and NSE was ₹ 591.75 and ₹ 591.65, respectively. The tables below set out, for the periods indicated, the high, low and average closing prices and the trading turnover on the NSE and the BSE for our Equity Shares.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on the NSE and the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for the Fiscals 2020, 2019 and 2018.

NSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in millions)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in millions)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in millions)
Fiscal 2020	327.15	24-Feb-20	251946	83.28	168.85	14-Jun-19	11379	1.98	257.61	9297829	2395.21
Fiscal 2019	290.00	10-Jan-18	41200	11.99	191.15	21-Jun-18	31882	6.14	238.72	3859006	921.24
Fiscal 2018	302.60	7-Apr-17	491529	151.48	199.65	1-Sep-17	29631	5.99	253.62	6408594	1631.76

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

BSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in millions)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in millions)	Average price for the year (₹)	Total Volume of Equity Shares traded in the Fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in millions)
Fiscal 2020	327.40	24-Feb-20	28542	9.52	169.00	8-Aug-19	20	0.003	239.42	1302710	311.89
Fiscal 2019	288.75	10-Jan-18	14689	4.19	193.05	21-Jun-18	7921	1.55	234.67	1442144	338.43
Fiscal 2018	303.40	7-Apr-17	124955	38.57	200.00	1-Sep-17	1689	0.34	261.70	1572681	411.59

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

B. The following tables set out the reported high and low closing prices of our Equity Shares recorded on the NSE and the BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months.

NSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in millions)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in millions)	Average price for the month (₹)	Equity Shares traded in the month	
										volume	Turnover (₹ in millions)
January 2021	535.90	14-01-2021	218343	115.35	506.55	29-01-2021	24396	12.46	520.23	1683769	875.95
December 2020	536.25	10-12-2020	176977	93.59	484.40	03-12-2020	195482	94.95	516.00	2431942	1254.89
November 2020	497.80	03-11-2020	239571	115.64	474.60	02-11-2020	40923	19.59	485.93	1282198	623.06
October 2020	512.55	16-10-2020	1296517	676.46	465.50	05-10-2020	55964	26.03	501.16	3984701	1996.98
September 2020	498.20	15-09-2020	310452	155.82	400.90	01-09-2020	123649	48.95	469.93	6850516	3219.24
August 2020	439.50	19-08-2020	588625	252.94	394.20	17-08-2020	117548	46.78	422.27	4268391	1802.40

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen

BSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in millions)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in millions)	Average price for the month (₹)	Equity Shares traded in the month	
										volume	Turnover (₹ in millions)
January 2021	536.70	14-01-2021	20358	10.73	506.5	29-01-2021	4728	2.42	515.31	10320.12	0.69
December 2020	535.45	10-12-2020	30472	16.08	483.05	03-12-2020	431743	208.29	513.00	11276.33	0.65
November 2020	497.75	03-11-2020	404740	192.29	473.90	02-11-2020	2936	1.40	486.32	9724.799	0.48
October 2020	511.70	16-10-2020	43817	22.85	465.15	05-10-2020	6837	3.18	487.09	10239.9	0.24
September 2020	498.65	15-09-2020	38448	19.28	400.85	01-09-2020	10369	4.10	466.19	10247.7	0.88
August 2020	439.05	19-08-2020	50124	21.56	395.05	17-08-2020	4252	1.69	416.15	8775.133	0.36

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen

C. The following table sets forth the market price of our Equity Shares on NSE and BSE on December 9, 2020, the first working day following the approval of the Board of Directors for the Issue.

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in millions)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in millions)
515.00	533.80	511.20	523.85	4,60,461	242.13	518.85	534.25	513.60	524.65	30,376	15.98

(Source: www.nseindia.com and www.bseindia.com)

USE OF PROCEEDS

The gross proceeds of the Issue aggregating to approximately ₹ 4,000.00 million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue of approximately ₹ 68.50 million, is approximately ₹ 3,931.50 million ("**Net Proceeds**").

Purpose of the Issue

Our Company proposes to utilize the Net Proceeds for (i) funding suitable organic and inorganic growth opportunities, (ii) ongoing capital expenditure, (iii) other long term and short terms requirements, (iv) pre-payment and/or repayment of outstanding borrowings, (v) general corporate purpose, or any other purposes, as may be permissible under applicable law and approved by our Board or its duly constituted committee. The Net Proceeds are proposed to be deployed towards the purpose set out above and are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, is not applicable.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, or final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us. Pending utilisation of the Net Proceeds, our Company intends to temporarily invest the funds in creditworthy instruments, including money market, mutual funds, and deposits with banks. Such investments will be in accordance with the investment policies approved by the Board and/ or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. In accordance with the SEBI Listing Regulations, our Company shall disclose the utilization of funds raised through this Issue in its annual report every year until such funds are fully utilised.

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds.

CAPITALIZATION STATEMENT

The following table sets forth our capitalization on a consolidated basis as of December 31, 2020which is based on the Interim Condensed Consolidated Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue. This table should be read in conjunction with "***Selected Financial Information***", "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and other financial information contained in the "***Financial Information***" on pages 27, 32, 68 and 204, respectively.

(in ₹ millions)

	Pre – Issue	Post – Issue#
	As at December 31, 2020 (on a consolidated basis)	**Amount after considering this Issue (on a consolidated basis)**
Borrowings:		
Deposits	-	-
Debt Securities	-	-
Borrowings (consists of non – current borrowings, current borrowings, current maturity of non-current borrowings, current maturity of deferred payment liabilities but excludes payable for share purchase)	1,836.86	1,836.86
Subordinated Liabilities	-	-
Total indebtedness (A)	**1,836.86**	**1,836.86**
Equity		
Equity Share capital	441.23	479.40
Other Equity	4,873.64	8,835.48
Total Equity (B)	**5,314.88**	**9,314.88**
Total Capitalization (C = A+B)	**7,151.74**	**11,151.74**

Not adjusted for issue expenses.

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Placement Document is set out below:

(In ₹ million, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**Authorized Share Capital**	
	120,000,000 Equity Shares of ₹ 5 each	600,000,000
B	**Issued, Subscribed and Paid-Up Share Capital before the Issue**	
	88,246,980 Equity Shares of ₹ 5 each	441,234,900
C	**Present Issue in terms of this Placement Document**	
	7,633,587 Equity Shares aggregating to approximately ₹ 4,000.00 million(1)	38,167,935
D	**Paid-Up Share Capital after the Issue**	
	95,880,567 Equity Shares	479,402,835
E	**Securities Premium Account**	
	Before the Issue(2) (in ₹ million)	6.93
	After the Issue(3) (in ₹ million)	3,968.77

(1) The Issue has been authorized by the Board of Directors on December 8, 2020 and the shareholders pursuant to their resolution dated January 14, 2021.
(2) As on December 31, 2020.
(3)The securities premium account after the Issue is calculated on the basis of Gross Proceeds.

Equity Share Capital History of our Company

The history of the Equity Share capital of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Consideration
March 30, 1995	700	10	10	Cash
May 1, 1996	5,399,300	10	10	Cash
May 4, 2004(1)	(113,400)	10	–	–
December 20, 2004(2)	113,400	10	19	Cash
October 29, 2007(3)	106,250	10	106	Cash
March 30, 2010(4)	5,400,000	10	N.A.	Bonus issue in the ratio of 1:1
October 28, 2010(4)	106,250	10	N.A.	Bonus issue in the ratio of 1:1
July 11, 2013	11,012,500	10	N.A.	Bonus issue in the ratio of 1:1
October 11, 2013	8,211	10	25	Cash
May 15, 2014	7,537	10	25	Cash
July 24, 2014	672	10	25	Cash
November 5, 2014	15,300	10	25	Cash
Pursuant to shareholders' resolution dated January 10, 2015, our 220,56,720Equity Shares were sub-divided from every one Equity Share of ₹ 10 each into 2 Equity Shares of ₹ 5 each, resulting in our issued and subscribed number of Equity Shares being 44,113,440				
March 29, 2017	44,113,440	5	N.A.	Bonus issue in the ratio of 1:1
March 18, 2019	10,500	5	50	Cash
May 10, 2019	10,050	5	50	Cash

(1) Pursuant to forfeiture of Equity Shares.
(2) Pursuant to re-issue of Equity Shares forfeited on May 4, 2004.
(3) Pursuant to conversion of 106,250 warrants out of 425,000 warrants allotted on March 17, 2007 into Equity Shares.
(4) Our shareholders approved a bonus issue of 5,506,250 Equity Shares of ₹10 each by a resolution dated March 16, 2010, however, our Company initially received in-principle approval from BSE for 5,400,000 Equity Shares of ₹ 10 each, accordingly, our Company allotted 5,400,000 Equity Shares on March 30, 2010. Subsequently, BSE granted in-principle approval for the remaining 106,250 Equity Shares, which were allotted on October 28, 2010.

Our Company has not made any allotment of Equity Shares, including for consideration other than cash, in the one year immediately preceding the date of this Placement Document.

Employee Stock Option Schemes

Our Company has two employee stock option schemes, Employee Stock Option Scheme, 2016 ("**ESOP 2016**") and Poly Medicure ESOS-2020 ("**ESOP 2020**"), which were instituted for the purpose of attracting, retaining, rewarding and motivating our employees to contribute to our growth and profitability. Set out below are the details of ESOP 2016 and ESOP 2020.

Particulars	Number of options
ESOP 2016	
Total number of options	50,000
Options granted	42,950
Options vested	Nil
Options exercised	Nil
Options cancelled	2,200
Total options outstanding	40,750
ESOP 2020	
Total number of options	1,000,000
Options granted	63,100
Options vested	Nil
Options exercised	Nil
Options cancelled	Nil
Total options outstanding	63,100

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "***Details of Proposed Allottees***" on page 206.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company, is set forth below.

Sr. No.	Category	Pre-Issue (As of February 12, 2021)		Post-Issue*(for institutional investors) (As of February 12, 2021 for all other categories)	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A.	**Promoters' holding****				
1.	Indian				
	Individual	35,798,208	40.57	35,798,208	37.34
	Bodies corporate	7,003,144	7.94	7,003,144	7.30
	Sub-total	**42,801,352**	**48.50**	**42,801,352**	**44.64**
2.	Foreign promoters	227,200	0.26	227,200	0.24
	Sub-total (A)	**43,028,552**	**48.76**	**43,028,552**	**44.88**
B.	**Non – Promoters' holding**				
1.	Institutional Investors	4,599,238	5.21	12,232,825***	12.76
2.	Non-Institutional Investors				
	Private Corporate Bodies	25,048,224	28.39	25,048,224	26.12
	Directors and relatives (other than promoters)	2,098	0.00	2,098	0.00

Sr. No.	Category	Pre-Issue (As of February 12, 2021)		Post-Issue*(for institutional investors) (As of February 12, 2021 for all other categories)	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
	Indian public	15,566,878	17.64	15,566,878	16.24
	Others including Non-resident Indians (NRIs)	1,990	0.00	1,990	0.00
	Sub-total (B)	**45,218,428**	**51.24**	**52,852,015**	**55.12**
	Grand Total (A+B)	**88,246,980**	**100.00**	**95,880,567**	**100.00**

Note: The table for the post-Issue shareholding pattern of the Company reflects the shareholding of the Institutional Investors category on basis of the allocation made in the Issue, and reflects the shareholding of all other categories of shareholders as of February 12, 2021.

*** This includes shareholding of the members of the Promoter Group.*

**** Assuming Allotment of the Equity Shares pursuant to the Issue.*

DIVIDENDS

The declaration and payment of dividends, if any, by our Company is governed by applicable provisions of the Companies Act, 2013 and our Articles of Association. Our Board may also, from time to time, declare interim dividends. For further information, see "***Description of the Equity Shares***" on page 176.

Our Board has approved and adopted a formal dividend distribution policy on August 12, 2017 in terms of Regulation 43A of the SEBI Listing Regulations. In terms of this policy, the declaration of dividend is dependent on a number of internal and external factors, including, but not limited to, state of economy, capital market conditions, statutory restrictions, present and future capital requirements, resources required to business acquisitions, expansion/ modernisation of businesses, outstanding borrowings, past dividends trends, cash flow required to meet contingencies, our Company's profit earned during the year, and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Company's shareholders.

The following table details the dividend proposed and paid by our Company on the Equity Shares in respect of Fiscals 2018, 2019, 2020 and in nine months ended December 31, 2020:

Particulars	Nine months ended December 31, 2020(1)	Fiscal 2020(2)	Fiscal 2019(3)	Fiscal 2018(4)
Face value of Equity Shares (₹ per Equity Share)	5	5	5	5
Dividend (interim) per Equity Share (in ₹)	Nil	2	Nil	Nil
Dividend (final) per Equity Share (in ₹)	Nil	Nil	2	2
Dividend rate (%)*	Nil	40%	40%	40%
Dividend distribution tax (in ₹ million)	Nil	36.28	36.28	36.28
Total dividend on Equity Shares (in ₹ million)	Nil	176.45	176.45	176.45

(1) Based on the interim dividend declared up to the date of this Placement Document.
(2) Based on the Fiscal 2020 Audited Consolidated Financial Statements.
(3) Based on the Fiscal 2019 Audited Consolidated Financial Statements.
(4) Based on the Fiscal 2018 Audited Consolidated Financial Statements.
* *Dividend rate = Dividend per Equity Share / face value per Equity Share x 100.*

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the Fiscal in which they have been allotted.

Also see "***Taxation***" and "***Risk Factors***" on pages 182 and 32, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*This Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Placement Document. For further information, see "**Forward-Looking Statements**" and "**Risk Factors**" on pages 17 and 32, respectively.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Consolidated Financial Statements, Unaudited Interim Condensed Consolidated Financial Statements and Statement of Unaudited Financial Results included in this Placement Document. For further information, see "**Financial Information**" on page 204.*

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Poly Medicure Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Poly Medicure Limited on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Market Assessment of the Medical Device Industry in India" dated January 2021 (the "**CRISIL Report**") prepared and released by CRISIL Research, a division of CRISIL Limited, and commissioned by us and other publicly available information. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

OVERVIEW

We are among the top five companies in the medical devices industry in India, in terms of operating income and profitability margin performance, in Fiscal 2019 (*Source: CRISIL Report*). We manufacture and supply, in India and internationally, a diverse portfolio of medical devices in the product verticals of infusion therapy, oncology, anesthesia and respiratory care, urology, gastroenterology, blood management and blood collection, surgery and wound drainage, dialysis, central venous access catheters, veterinary medical devices and others. As of December 31, 2020, we had over 130 SKUs of disposable medical devices.

Over the years, we have developed an extensive sales and distribution network across India. As of December 31, 2020, our distribution network with a pan-India presence included over 260 distributors. We believe we have developed long-term relationships with a majority of our distributors. Our sales division is also involved in promotion of our products in over 5,000 private and government hospitals and nursing homes across India, as on December 31, 2020. In the nine months ended December 31, 2020, we supplied our products to over 110 countries, in Europe, Africa, Americas, Australia, and Asia through a network of over 260 distributors in these jurisdictions. In Fiscal 2020 and in the nine months ended December 31, 2020, revenue generated from sales outside India represented 72.61% and 70.39% of our revenue from operations, respectively.

We have been recognized as the "India Medical Devices Company of the Year" in the 4th India Medical Device Awards, by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government on India, as the top exporter of plastic medical disposables/ surgical items (including syringes) for the years 2018-2019 and also for the previous four consecutive years, by the Plastics Export Promotion Council, sponsored by the Ministry of Commerce and Industry, Department of Commerce, the Government of India, as being one of the "Top 25 Innovative Companies", as part of the "CII Industrial Innovation Awards 2019" by the Confederation of Indian Industries, and have also received the "Forbes Asia Best under a Billion" award in 2020 as the region's top 200 small and midsized companies.

We focus on research and development ("**R&D**") for developing more effective, safe to use, and more user-friendly products. Our R&D activities are also aimed at improving existing processes and production cost efficiency and developing processes for environmental friendly products. We operate one in-house R&D facility at Faridabad (Haryana) ("**R&D Center**"), which has been approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India ("**DSIR**"). Based on the efforts of our R&D division, as of December 31, 2020, we have been granted over 300 patents globally and have also filed for grant of over 150 patents in India and worldwide. We have also developed a number of safety medical devices across product lines, including Safety I.V. cannula and safety scalp vein sets within the infusion therapy vertical, safety blood collection sets within the blood collection vertical and safety fistula needles within the dialysis vertical.

We currently operate eight manufacturing facilities across India, China, Egypt and Italy. In India, we operate five manufacturing facilities, three of which are situated at Faridabad (Haryana), and one each in Jaipur (Rajasthan) and Haridwar (Uttarakhand). In addition, we are in the process of expanding the manufacturing capacities at our facilities situated in Faridabad (Haryana) and Jaipur (Rajasthan). We also propose to set-up two new manufacturing facilities in Faridabad (Haryana) in the coming years. Our Indian manufacturing facilities have been accredited with several international quality certifications. All our manufacturing facilities in India have been accredited with the EC certificates for quality assurance systems and EN ISO 13485:2016 certifications. Further, our Faridabad Facility-I, Faridabad Facility-II and Haridwar Facility, have also been accredited with management system certificates for compliance with ISO 9001:2015. For further information, see "***– Manufacturing Facilities***" on page 126.

We also operate one manufacturing facility in China through our wholly-owned subsidiary Poly Medicure (Liayang) Company Limited that is certified to be compliant with Korea Good Manufacturing Practices by the Korea Food and Drug Administration, Ministry of Food and Drug Safety and has been accredited with a EC certificate for quality assurance system and EN ISO 13485:2016 for its quality management system. In addition, we operate one manufacturing facility in Assuit, Egypt, through our associate Ultra for Medical Products that is also accredited with EC certificates or quality assurance system. We also operate one manufacturing facility in Italy through our step-down subsidiary Plan 1 Health S.R.L., which is accredited with EC certification for quality assurance system and EN 13485:2016 for its quality management system by DEKRA Certification B.V. Netherlands. For further information, see "***– Manufacturing Facilities***" on page 126.

Our Company is led by Mr. Himanshu Baid, our Managing Director and Mr. Rishi Baid, our Joint Managing Director, each have over two decades of experience in the medical devices industry and are first generation entrepreneurs.

In Fiscals 2018, 2019, 2020 and in the nine months ended December 31, 2020, our revenue from operations were ₹ 5,216.78 million, ₹ 6,108.25 million, ₹ 6,872.39 million and ₹ 5,735.11 million, respectively, and our profit after tax, were ₹ 705.94 million, ₹ 653.99 million, ₹ 958.80 million, and ₹ 970.28 million, respectively, during such period. We have been able to increase our total revenue from operations from Fiscal 2018 to Fiscal 2020 at a compound annual growth rate ("**CAGR**") of 14.78% and our profit has increased at a CAGR of 16.54% over the same period.

On account of the COVID-19 pandemic, the Government of India had announced a nationwide lockdown on March 24, 2020. Our manufacturing facilities in India were therefore operating with limited capacity in April 2020 and May 2020. However, since our operations were determined to be operating in an essential industry, we were allowed to resume operations in a phased manner and by June 2020 all of our facilities restarted operations, subject to certain adjustments in working patterns and limited workforce. For further information on the impact of COVID-19 on our operations, see "***Management's Discussions and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Impact of COVID-19 Pandemic***" on page 73, and "***Risk Factors – We expect the COVID-19 pandemic to continue to materially affect our financial performance in future periods and it may otherwise have material adverse effects on our results of operations, financial condition, and/or our cash flows.***" on page 36.

PRESENTATION OF FINANCIAL INFORMATION

In this Placement Document we have included the following financial statements prepared under Ind AS: (i) the audited consolidated financial statements for Fiscal 2018 comprising the consolidated balance sheet as at March 31, 2018 and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flow and the consolidated statement of changes in equity for Fiscal 2018 read along with the notes thereto (the "**Fiscal 2018 Audited Consolidated Financial Statements**"); (ii) the audited consolidated financial statements for Fiscal 2019 comprising the consolidated balance sheet as at March 31, 2019 and consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flow and the consolidated statement of changes in equity for Fiscal 2019 read along with the notes thereto (the "**Fiscal 2019 Audited Consolidated Financial Statements**")**;** (iii) the audited consolidated financial statements for Fiscal 2020 comprising the consolidated balance sheet as at March 31, 2020 and consolidated statement of profit and loss (including other comprehensive income), consolidated statement of cash flow and the consolidated statement of changes in equity for Fiscal 2020 read along with the notes thereto (the "**Fiscal 2020 Audited**

Consolidated Financial Statements" and collectively with Fiscal 2018 Audited Consolidated Financial Statements and Fiscal 2019 Audited Consolidated Financial Statements, the "**Audited Consolidated Financial Statements**"); (iv) the unaudited interim condensed standalone and consolidated financial statements for the nine months ended December 31, 2020, comprising the interim condensed standalone and consolidated balance sheet as at December 31, 2020, the interim condensed standalone and consolidated statement of profit and loss (including other comprehensive income) (including the comparative financial information with respect to the nine months ended December 31, 2019), the interim condensed standalone and consolidated statement of changes in equity, and the interim condensed standalone and consolidated statement of cash flows for the nine months ended December 31, 2020, read along with the notes and the limited review report issued thereto (the "**Unaudited Interim Condensed Financial Statements**"); and (v) pursuant to the meeting of our Board of Directors on January 27, 2021, we have adopted and filed with the Stock Exchanges on January 27, 2021, the Ind AS unaudited interim standalone and consolidated financial results for the quarter and nine months ended December 31, 2020, comprising the statement of profit and loss (including other comprehensive income) for the quarter and nine months ended December 31, 2020 (including the comparative financial information with respect to the quarter and nine months ended December 31, 2019 and other financial information with respect to historical fiscal year/ periods as required under applicable law) read along with the notes and the limited review report issued thereto (the "**Statement of Unaudited Financial Results**").

In this section, we have included a comparison of our (i) Ind AS unaudited interim condensed consolidated financial statements for the nine months ended December 31, 2020 with that for the nine months ended December 31, 2019; (ii) Ind AS audited consolidated financial statements for Fiscal 2020 with that for Fiscal 2019; and (iii) Ind AS audited consolidated financial statements for Fiscal 2019 with that for Fiscal 2018. Our management's discussion and analysis for Fiscal 2019 is based on the comparative financial information included for Fiscal 2019 in our Fiscal 2020 Audited Consolidated Financial Statements.

Our Audited Consolidated Financial Statements and the effectiveness of internal control over financial reporting as of March 31, 2018 and 2019 were audited by Doogar & Associates, Chartered Accountants, our Previous Statutory Auditors. Our Audited Consolidated Financial Statements and the effectiveness of internal control over financial reporting as of March 31, 2020, were audited by, and our Unaudited Interim Condensed Financial Statements and Statement of Unaudited Financial Results, were reviewed by, MC Bhandari & Co., Chartered Accountants, our Statutory Auditors. Further, as stated in their reports appearing herein, which includes an *Other Matter* paragraph that states that their reports, as it relates to certain Subsidiaries and Associate, is based upon reports issued by other auditors.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, results of operations and financial condition are affected by a number of factors, including:

Regulatory environment

The medical and healthcare industry in India and in the jurisdictions where we sell our disposable medical devices are subject to stringent regulation. Our disposable medical devices are subject to quality control systems of various jurisdictions. In Fiscal 2020 and in the nine months ended December 31, 2020, revenue generated from sales outside India, including the regulated markets of South East Asia, Middle East, United States, Europe and commonwealth territories, represented 72.61% and 70.39% of our revenue from operations, respectively. Our products are therefore subject to regulation by various Indian and international regulatory agencies, and we are required to maintain various regulatory approvals in connection with our business activities.

In India, the products we manufacture are regulated by the provisions of the Medical Devices Rules, 2017, Drugs and Cosmetics Act, 1940, the Drugs and Cosmetics Rules, 1945, Legal Metrology Act, 2009 and the Legal Metrology (Enforcement) Rules of the various states we operate in. Globally, our products are required to adhere to the regulatory requirements of each country to which the products are is exported to. In the United States, medical devices must be cleared or approved by the FDA or an exemption from such clearance or approval must be obtained before they can be commercially marketed in the U.S. In the European Union, we are required to comply with the Medical Device Regulation or EU MDR. We are required to comply with laws and regulations governing the development, testing, manufacturing, labelling, marketing, and distribution of our disposable medical devices. We may also be subject to laws of certain other jurisdictions where we propose to sell our disposable medical devices in the future as part of our growth strategy. We are also subject to various environmental laws and regulations both within and outside, India including but not limited to the Factories Act, 1948, the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, and the Bio-Medical Waste Management Rules, 2016. Our operations often involve the use of substances regulated under such environmental laws, primarily those used in manufacturing and sterilization processes. We are also subject to other laws and regulations which are applicable to manufacturers in general and if there is any change in these laws and regulations, our results of operations may be adversely affected. We must also ensure that government and other regulatory agencies do not withdraw approvals for the sale of our existing products. Regulatory agencies may at any time reassess the quality and efficacy of our products based on new scientific knowledge or other factors.

The Government of India has introduced a manufacturing support scheme, production linked incentive ("**PLI**") scheme for promoting domestic manufacturing of medical devices. Under the scheme, Indian companies can avail benefits / incentives for setting up greenfield manufacturing facilities in India. The PLI scheme for medical devices was introduced with the objective of product diversification and production of innovative and high value medical devices in India. These initiatives will have the potential to contribute significantly to achieve objective of affordable healthcare on a sustained basis. The schemes is expected to lead to substantial reduction in import of target segments of medical devices. (*Source: CRISIL Report*). We have applied for registration under the PLI scheme for our renal care medical devices, and once registered, we will be entitled to avail certain incentives. Other initiatives by the Government of India include Ayushman Bharat Pradhan Mantri Jan Arogya Yojana that is expected to further boost the consumption of medical devices. We believe that the PLI scheme and other similar schemes and policies proposed by the Government of India, including Ayushman Bharat Pradhan Mantri Jan Arogya Yojana and National Health Policy, are expected to provide significant growth opportunities for our operations.

Product development and registration

Our business depends to a large extent on our R&D capabilities. The R&D process is both time consuming and costly, and involves a high degree of business risk. Our business and financial and operating results have been and will be affected by our ability to continue to develop and commercialize new products. With the objective of maintaining a robust product pipeline, we commit substantial time, funds and other resources. In Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2020, our R&D expenses represented 1.93%, 1.66%, 1.74% and 1.63% of our revenue from operations for the respective periods. Our in-house research and development capabilities have enabled us to develop an innovative and diversified product offering. Our R&D efforts are primarily focused on developing new products within our existing product verticals as well as introduce products to enter into new product verticals, particularly focusing on fluid management within non-communicable diseases segment, including oncology, nephrology and cardiology, and further improving existing processes and production cost efficiency. As a result of our intensive R&D activities, as of December 31, 2020, we have successfully been granted over 300 patents and have also filed for grant over 150 patent applications in India and worldwide, including in the United States of America, Europe and the United Kingdom, South Africa, Russia, China and Australia.

To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D. The R&D process is often time consuming and costly, and obtaining an approval or patent protection in any one jurisdiction would not ensure approval in other jurisdictions. Our processes and products that are currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals or registrations may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and utilize such products or processes. Our competitors and other companies or innovators may try to assert patent and other intellectual property rights against us. As a result, we could become involved in extensive litigation regarding our products. Our future results of operations will, in part, depend upon our ability to successfully commercialize new disposable medical devices, including critical care devices that we seek to develop through our R&D efforts.

Regulatory authorities may also impose pricing controls that apply to our products. Due to rising healthcare costs, there may be additional proposals by legislators and regulators to reduce costs. Extensive industry regulation has had, and will continue to have, a significant impact on our business operations. In addition, any significant changes in excise duties and other commercial taxes levied on our manufacturing operations, raw materials, packing materials and finished products and changes in our production costs, may affect our financial condition and results of operations. The evolving and complex nature of regulatory requirements, the broad authority and discretion of the regulatory authorities and the generally high level of regulatory oversight results in the continuing possibility that our development of new products and manufacturing of existing products may be restricted.

Raw material and employee benefit expenses

Our cost of raw materials including packing materials consumed represented 31.92%, 30.98%, 31.91% and 32.64% of our total revenue, for Fiscals 2018, 2019 and 2020 and for the nine months ended December 31, 2020, respectively. Our financial condition and results of operations are significantly impacted by the availability and cost of raw materials that primarily include plastic granules, PVC compounds, fibre and stainless steel tubes. We procure our raw materials from both domestic and international suppliers based on purchase orders and without any long-term contracts. Commodity prices are influenced by, among other factors, changes in global economic conditions, industry cycles, demand-supply dynamics, attempts by particular producers to capture market share and speculation in the market. The changes in raw material costs are generally passed through to our customers. Nonetheless, because such price adjustments based on cost changes only occur at periodic intervals, there is generally a time lag between changes in our raw material costs and any adjustments to our prices which, if such raw material costs increase significantly during this period, can have a negative impact on our profitability.

Employee benefit expenses also constitute a significant and rising portion of our operating expenses. Our employee benefit expenses represented 18.49%, 18.54%, 19.66% and 17.81% of our total revenue from operations for Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2020, respectively. We expect our employee benefit expenses to continue to increase in the future. Therefore, retaining the services of our skilled employees, including engineers and technicians, is a high priority and competition to retain skilled employees will likely result in increased personnel expenses. While, we believe that we have sufficient human resources to sustain our current operations and planned growth, we expect to improve our operational efficiency by reducing our employee costs as a percentage of our total income in future periods. As a significant portion of our overall manpower is located in India, rising wages in India may have a material impact on our net revenues. If we are unable to efficiently manage our operating expenses, it could have a significant impact on our results of operations and financial condition.

Foreign currency fluctuations

Our financial statements are presented in Indian Rupees. However, our revenues, expenditure and finance charges are influenced by the currencies of those countries where we sell our products (for example, in Europe, south-east Asia, the Middle East and Africa) and to a limited extent by currencies of countries from where we procure our raw material (for example the United States, Germany, China, Japan, Korea and Taiwan) and the country where our Subsidiary is located. Our revenue from export of products accounted for 75.56%, 72.89%, 72.61% and 70.39% of our total revenue from operation and we imported 62.67%, 61.04%, 75.44% and 62.79% of our raw material requirement in Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2020, respectively. The exchange rate between the Indian Rupee and these currencies, primarily the U.S. Dollar and the Euro, have fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. While our exposure to fluctuations in foreign currency is hedged to the extent our revenues are denominated in foreign currencies, there can be no assurance that such revenues will be able to fully offset the impact of foreign currency fluctuations on the expenses we incur towards our raw material costs. Moreover, as a majority of our long term borrowings are U.S. Dollar denominated, we expect that our cost of borrowing as well as our cost of raw materials incurred by us and our Subsidiary may rise during a sustained depreciation of the Indian Rupee against the U.S. Dollar, the Euro or the Chinese Yuan. The exchange rate between the Indian Rupee and these currencies, primarily the U.S. dollar, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period.

While we seek to hedge our foreign currency risk by entering into forward exchange contracts, any amounts we spend in order to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. As on December 31, 2020, our total unhedged foreign currency exposure amounted to ₹ 509.30 million, while the total value of our outstanding forward exchange contracts amounted to ₹ 103.37 million.

Distribution and sale of our products

We have an extensive sales and distribution network in India that enables us to market our products to a wide base of private and government hospitals and nursing homes. We are dependent on third party distributors for the distribution of our products and as of December 31, 2020, we had over 260 distributors in India. We offer certain distributors with local or regional exclusivity that grants these distributors an area in which only they are authorized to sell our products, subject to certain conditions. In addition to our distribution network, our sales division comprising of 225 employees, as of December 31, 2020, is involved in the promotion of our products in over 5,000 private and government hospitals and nursing homes across India, including by conducting continuing medical education programs in several hospitals. We constantly seek to grow our product reach to under-penetrated geographies, increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets by growing our distribution network. Our success is dependent on our ability to successfully tie up with or appoint new distributors to expand our network and effectively manage our existing distribution network. We may face disruptions in the delivery of our products for reasons beyond our control, including poor handling of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries.

Capacity utilization and operating efficiencies

Higher capacity utilization results in greater production volumes and higher sales, and allows us to spread our fixed costs over a larger production numbers of our products, thereby increasing our profit margins. Production in our manufacturing facilities is also affected by factors like the number of lost days due to periodical maintenance closures and unscheduled plant shutdowns. Our capacity utilization for Fiscals 2018, 2019 and 2020 was 82.13%, 80.51%, and 81.87%, respectively. While we continue to focus on improving our operational efficiencies and reducing operating costs, there are a number of factors that are beyond our control and that could impact our ability to effectively utilize our manufacturing facilities. Any inability to optimally utilize our existing manufacturing capacities or maintain operating efficiencies could impact our business and results of operations.

Impact of COVID-19 pandemic

On account of the COVID-19 pandemic, India had imposed a nationwide lockdown on March 24, 2020, however, since our operations were determined to be operating in an essential industry, we were allowed to resume operations in a phased manner and by June 2020 all of our facilities started operations, subject to certain adjustments in working patterns and limited workforce.

The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The steps taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in India and globally. The demand for our products is dependent on and directly affected by factors affecting industries where our products are applied. Companies have faced disruptions in manufacturing and their supply chains. The disruptions in supply chain and logistics led to decreased inventory levels which in turn affected the supply of products to end consumers that primarily include hospitals and pharmacies. Due to COVID-19 related medical requirements, manufacturing and demand for consumables and disposables has increased significantly (*Source: CRISIL Report*). Our revenue from operations increased at 11.16% from ₹ 5,159.08 million in the nine months ended December 31, 2019 to ₹ 5,735.11 million in the nine months ended December 31, 2020.

We continue to closely monitor the impact that COVID-19 may have on our business and results of operations. It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future. We continue to closely monitor the effect that COVID-19 may have on our business and results of operations. To the extent, the COVID-19 pandemic adversely affects us, it may also significantly increase the effect of the aforementioned factors affecting our results of operations.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The 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.

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 recognized 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 our Company and our subsidiary companies and associates. The consolidated financial statements have been prepared on the following basis:

1. The financial statements of our Company and our 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.
2. 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 amortized, 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.
3. 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.
4. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
5. 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 recognized in the consolidated statement of profit and loss being the profit or loss on disposal of investment in subsidiary.
6. 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 our Company.
7. 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 our Company's shareholders.
8. Investment in Associates has been accounted under the equity method as per Ind AS 28 -Investments in Associates and Joint Ventures.
9. Companies considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	Holding as on December 31, 2020	Financial year ends on
Subsidiary			
Poly Medicure (Laiyang) Company Limited, China - Audited	China	100%	December 31, 2020
Polymed BV, Netherlands - Management certified (Consolidated)	Netherlands	100%	December 31, 2020
Plan 1 Health India Pvt Ltd.	India	99.99%	December 31, 2020
Associates			
Ultra For Medical Products Company (Ultra Med), Egypt - Audited	Egypt	23%	September 30, 2020

Significant Accounting Policies

Basis of Measurement

The Financial Statements of our 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. For further information on financial assets and liabilities, see "***Financial Information***" on page 204.

Property, Plant and Equipment

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.

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.

Component Accounting. When significant parts of property, plant and equipment are required to be replaced at intervals, we derecognize the replaced part, and recognize the new part with our 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.

1. Stores and Spares which meets the definition of property, plant and equipment and satisfy recognition criteria of Ind AS - 16 are capitalized as property, plant and equipment and until that in capital work in progress.

2. Lease Hold Assets are amortized over the period of lease.

3. 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.

4. 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.

5. The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

6. Capital work in progress includes cost of Property, Plant and Equipment which are not ready for their intended use.

Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to us 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 as 10 years unless otherwise stated in the relevant documents and in respect of SAP software as 10 year and other software as 3 years.

Software: Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The amortization period and the amortization 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 amortization 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 amortized, 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.

Goodwill

Goodwill represents the cost of business acquisition in excess of our interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of identifiable assets, liabilities and 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 our 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.

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 derecognized 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 recognized in profit or loss in the period of derecognized.

Though we measure 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.

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 capitalized as intangible asset, if technical and commercial feasibility as per Ind AS 38 is demonstrated, else charged to statement of profit and loss.

Inventories

Raw materials, packing materials, stores and spares are valued at lower of cost (on weighted moving average cost basis) and net realizable value. Stock in process is valued at lower of cost (on weighted moving average cost basis) and net realizable value. Finished goods are valued at lower of cost and net realizable 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 realizable value. Scrap is valued at estimated realizable value.

Foreign Exchange Transactions

Functional and presentation Currency. The functional and reporting currency is INR.

Transaction and Balances. Foreign exchange transactions are accounted for at the exchange rate prevailing on the date of transaction. All monetary foreign currency assets and liabilities are converted at the exchange rate prevailing at reporting date. All exchange gain or loss arising on translation of monetary items are dealt with in statement of profit and loss.

Revenue Recognition

We derive revenue from sale of manufactured goods and traded goods. In accordance with Ind AS 115, we recognize 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 we expect to receive in exchange for products or services. We disaggregate 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 amortized 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.

Government grant. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received we have 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.

Employees Benefits

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.

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.

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 recognizes 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 recognized 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 recognized 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.

We recognize the following changes in the net defined benefit obligations under employee benefit expenses in the statement of profit and loss: (i) service costs comprising current service costs, gains and losses on curtailments and non-routine settlements; and (ii) net interest income or expense.

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 recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits. Termination benefits are recognized as an expense in the period in which they are incurred.

We recognize a liability and expense for termination benefits at the earlier of the following dates: (i) when the entity can no longer withdraw the offer of those benefits; and (ii) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

*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, we revise our estimate of number of equity instruments expected to vest. The impact of revision of the original estimates, if any, is recognized 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 earnings per share.

Borrowing Costs

Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalized 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.

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 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. All other borrowing costs are recognized as expense in the period in which they are incurred.

Leases

In accordance with Ind AS 116, we recognize right of use assets representing our right to use the underlying asset for the lease term at the lease commencement date. The cost of right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before commencement date less any lease incentive received plus any initial direct cost incurred and an estimate of cost to be incurred by lessee in dismantling and removing underlying asset or restoring the underlying asset or site on which it is located. The right of use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of lease liability. The right of use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that there carrying amounts may not be recoverable. Impairment loss, if any, is recognized in statement of profit and loss. We measure the lease liability at the present value of the lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, we use incremental borrowing rate.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised- in-substance fixed lease payments, we recognize amount of remeasurement of lease liability due to modification as an adjustment to right of use assets and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right of use assets is reduced to zero and there is further reduction in measurement of lease liability, we recognize any remaining amount of the remeasurement in statement of profit and loss.

We elected not to apply the requirements of Ind AS 116 to short term leases of all assets that have a lease term of twelve month or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on straight line basis over lease term.

Taxes on Income

Current Tax. 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. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

We periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. 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.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. 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 recognized directly in equity.

Provisions, Contingent liabilities, Contingent Assets and Commitments

We recognize provisions for liabilities and probable losses that have been incurred when we have a present legal or constructive obligation as a result of past events and it is probable that we 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 recognized 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 recognized 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.

Other litigation claims. Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

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.

Exceptional Items

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

Significant Accounting Judgments, Estimates and Assumptions

The preparation of our financial statements requires us to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation of uncertainty related to Global Health Pandemic from COVID-19

The Group has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of the pandemic, we have, as at the date of approval of these financial statements, used internal and external source of information, on the expected future performance and based on estimates we expect that the carrying amount of financial assets will be recovered and we do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of the consolidated financial statements.

Income taxes. Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. We review 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.

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.

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 include 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.

Lease. We evaluate if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. We use significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

We determine the lease term as the non-cancellable period of lease, together with both periods covered by an option to extend the lease if we are reasonably certain to exercise that option and periods covered by an option to terminate the lease if we are reasonably certain not to exercise that option. In exercising whether the company is reasonably certain to exercise an option to extend a lease or to exercise an option to terminate the lease, we consider all relevant facts and circumstances that create an economic incentive for us to exercise the option to extend the lease or to exercise the option to terminate the lease. We revise the lease term, if there is change in non-cancellable period of lease. The discount rate used is generally based on incremental borrowing rate.

Depreciation/Amortization and useful life of Property, Plant and Equipment. We have 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, and unexpected failure leading to impairment or complete discard. Alternatively, the equipment may continue to provide useful services well beyond the useful life assigned.

Impairment of Financial and Non-Financial Assets. The impairment provision for financial assets are based on assumptions about risk of default and expected losses. We use 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.

Provisions. We make 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.

Contingencies. Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against us as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of Goodwill. Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than the carrying amount, the impairment loss is accounted. For impairment loss, goodwill is allocated to CGU which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purpose. The recoverable amount of CGU is determined based on higher of value in use and fair value less cost to sell and value in use is present value of future cash flows expected to be derived from CGU.

Key assumption in the cash flow projection are prepared based on current economic conditions and comprises estimated long term growth rate, estimated operating margin.

CHANGES IN ACCOUNTING POLICIES

Except as disclosed in this Placement Document, there have been no changes in our accounting policies in the last three fiscals and the nine months ended December 31, 2020.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from Operations

Revenue from operations comprises (i) sale of products comprising domestic sales and sales from exports, (ii) manufactured gooods; (iii) traded goods; and (ii) other operating revenue, comprising export incentives, sale of scrap, other operating revenue of foreign subsidiary, and others such as development charges.

Other Income

Other income includes (i) interest income on fixed and other deposits, on income tax refund, from financial assets measured at amortized cost, and dividend/ governing council share; (ii) other non-operating income comprising rental income from investment property, government grants and subsidies, income from mutual funds, and miscellaneous income such as recovery from customers; and (iii) other gains comprising provisions/ liabilities no longer required written back (net); gain on fixed assets sold/ discarded; gain on foreign exchange fluctuation (net); unrealized gain on valuation of mutual funds measured at fair value through profit or loss.

Expenses

Our expenses comprise (i) cost of raw materials (including packing materials) consumed; (ii) purchases of stock-in-trade; (iii) changes in inventories of finished goods, work-in-progress and stock-in-trade; (iv) employee benefits expense; (v) research and development expenses; (vi) finance costs; (vii) depreciation and amortisation expense; and (viii) other expenses.

Costs of Materials Consumed

Costs of materials consumed comprises cost of raw materials including plastic granules like PVC compounds, blood bag sheets, and urine bag sheets.

Purchases of Stock-in-Trade

Purchases of stock-in-trade comprises Safety scalp vein set and silicon rubber sleeve that are manufactured by our contract manufacturer, Vitromed Healthcare.

Employee Benefit Expense

Employee benefits expense comprises (i) salaries, wages and bonus; (ii) contribution to provident fund and other funds; (iii) share based payment to employees; and (iii) staff welfare expenses.

Finance Costs

Finance cost comprises interest expenses such as (i) interest on loans, (ii) interest on income tax; (iii) exchange difference to the extent considered as an adjustment to interest costs; and (ii) interest on lease liabilities.

Finance cost also comprises other amortized borrowing costs, incurred towards deferred payment processing charges for facilities availed.

Depreciation and Amortization Expenses

Depreciation and amortization comprises (i) depreciation of tangible assets; (ii) amortization of intangible assets; (iii) depreciation of investment properties; and (iii) amortization of right of use.

Other Expenses

Other expenses comprises (i) consumption of stores and spares; (ii) power and fuel; (iii) job work charges; (iv) other manufacturing expenses; (v) repairs to building, machinery and others; (vi) insurance; (vii) operating lease, short-term lease; (viii) rates, taxes and fee; (ix) travelling and conveyance; (x) legal and professional fees; (xi) auditors' remuneration; (x) commission and sitting fees to non-executive directors; (xi) donations; (xii) bank charges; (xiii) advertisement; (xiv) commission on sales; (xv) freight and forwarding charges; (xvi) business promotion; (xvii) exhibition expenses; (xviii) rebates, discounts, and claims; (xix) provision for doubtful debts/ advances; (xx) bad debts/ miscellaneous balances written off total amount; (xxi) CSR expenditure; (xxii) communication expense; (xxiii) listing fees; and (xxiv) other miscellaneous expenses.

Key components of other expenses are explained below:

i. Job work charges relate to payments made to Vitromed Healthcare for job work done.

ii. Rebate, discounts and claims relate to late delivery charges and other charges imposed, in accordance with the terms on which we supply certain products to government agencies.

iii. Provision for doubtful debts/ advances relate to provisions made towards receivables due from distributors/ customers on sale of products to them, and advances due from suppliers of raw materials on advances extended to them.

iv. Bad debts/ miscellaneous written off, relates to write-off on receivables due from distributors and write-off on advances that have not been recovered from suppliers.

v. Other miscellaneous expenses comprise general administrative expenses, postage and courier charges, printing and stationery expenses, and housekeeping expenses etc.

RESULTS OF OPERATIONS

NINE MONTHS ENDED DECEMBER 31, 2020 COMPARED TO NINE MONTHS ENDED DECEMBER 31, 2019

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the nine months ended December 31, 2019 and December 31, 2020:

Particulars	Nine months ended December 31, 2019		Nine months ended December 31, 2020	
	(₹ million)	Percentage of total revenue	(₹ million)	Percentage of total revenue
Income				
Revenue from operations	5,159.08	97.50%	5,735.11	98.00%
Other income	132.33	2.50%	117.45	2.00%
Total revenue	**5,291.41**	**100.00%**	**5,852.56**	**100.00%**
Expenses				
Cost of raw materials consumed	1,654.33	31.26%	1,910.03	32.64%
Purchases of Stock-in-Trade	6.48	0.12%	21.81	0.37%
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(35.09)	(0.66)%	(66.69)	(1.14)%
Excise duty on sale of goods	-	-	-	-
Employee benefits expense	1,039.21	19.64%	1,042.25	17.80%

Particulars	Nine months ended December 31, 2019		Nine months ended December 31, 2020	
	(₹ million)	Percentage of total revenue	(₹ million)	Percentage of total revenue
Research and development expenses	84.62	1.60%	93.70	1.60%
Finance cost	102.31	1.93%	103.40	1.77%
Depreciation and amortization expense	310.44	5.87%	349.79	5.98%
Other expenses	1,171.45	22.14%	1,132.29	19.35%
Total expenses	**4,333.75**	**81.90%**	**4,586.58**	**78.37%**
Profit before tax, and share of net profit from associates	**957.66**	**18.10%**	**1,265.98**	**21.63%**
Share of profits from associates	10.65	0.20%	16.38	0.28%
Profit before tax	**968.31**	**18.30%**	**1,282.36**	**21.91%**
Tax expenses				
Current tax	256.67	4.85%	333.41	5.70%
Deferred tax	(24.77)	(0.46)%	(19.99)	(0.34)%
Tax adjustment for earlier years (net)	4.18	0.07%	(1.33)	(0.02)%
Total tax expenses	**236.08**	**4.46%**	**312.09**	**5.34%**
Profit after tax	**732.23**	**13.84%**	**970.27**	**16.57%**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gains/ (losses) of defined benefit plan	(3.37)	(0.06)%	(0.62)	(0.01)%
Tax impacts on above	0.84	0.01%	0.15	0.00%
Other comprehensive income for the year (net of tax)	**(2.53)**	**(0.05)%**	**(0.47)**	**(0.01)%**
Total comprehensive income for the year	**729.70**	**13.80%**	**969.80**	**16.57%**
Profit for the year attributable to:				
Equity holders of the Company	**732.23**	**13.84%**	**970.27**	**16.58%**
Non-controlling interests				
Total comprehensive income for the year attributable to:				
Equity holders of the Company	**729.70**	**13.80%**	**969.80**	**16.57%**
Non-controlling interests				

Key Developments

Our operations in the nine months ended December 31, 2020 were impacted by:

1. COVID-19 and consequent lockdowns and restrictions imposed in India, as a result of which our manufacturing facilities in India were operating with limited capacity in April 2020 and May 2020. However, since our operations were determined to be operating in an essential industry, we were allowed to resume operations in a phased manner and by June 2020 all of our facilities restarted operations; and

2. Launch of new medical devices, particularly viral test media kits or VTM kits that are used for testing the presence of the COVID-19 virus.

Revenue

Total revenue increased by 10.60% from ₹ 5,291.41 million in nine months ended December 31, 2019 to ₹ 5,852.56 million in nine months ended December 31, 2020 primarily due to an increase in revenue from operations. Revenue from operations increased by 11.17% from ₹ 5,159.08 million in nine months ended December 31, 2019 to ₹ 5,735.11 million in nine months ended December 31, 2020 due to the reasons discussed below.

Revenue from Operations

Revenues from operations increased by 11.17% from ₹ 5,159.08 million in nine months ended December 31, 2019 to ₹ 5,735.11 million in nine months ended December 31, 2020, primarily due to an increase in sale of products by 12.84% from ₹ 5,008.20 million in nine months ended December 31, 2019 to ₹ 5,651.25 million in nine months ended December 31, 2020, particularly from sale of VTM kits in the domestic market. Revenue from traded goods also increased from ₹ 7.38 million in nine months ended December 31, 2019 to ₹ 21.89 million in nine months ended December 31, 2020, on account of increase in purchase and sale of third-party products by our Company outside India.

Other operating revenue decreased by 44.42% from ₹ 150.89 million in nine months ended December 31, 2019 to ₹ 83.86 million in nine months ended December 31, 2020 primarily due to decrease in (i) export incentives by 48.23% from ₹ 134.19 million in nine months ended December 31, 2019 to ₹ 69.47 million in nine months ended December 31, 2020, as a result of reduction in the rate of the Merchandise Exports from India Scheme ("MEIS") applicable to us, from 4% in the nine months ended December 31, 2019, to 2% with effect from January 1, 2020; (ii) sale of scrap by 20.91% from ₹ 10.33 million in nine months ended December 31, 2019 to ₹ 8.17 million in nine months ended December 31, 2020, on account of lesser scrap generation due to increased operational efficiencies; and (iii) other operating revenues, primarily comprising development charges that we generate on account of providing technical consultancy services, from ₹ 6.37 million in nine months ended December 31, 2019 to no such income in nine months ended December 31, 2020, as a result of no such technical consultancy services provided in the nine months ended December 31, 2020.

Revenue by Geography

Revenue generated from domestic sales increased by 16.78% from ₹ 1,447.03 million in nine months ended December 31, 2019 to ₹ 1,689.84 million in nine months ended December 31, 2020, as a result of launch of new products, such as VTM kits as a result of the COVID-19 pandemic. Revenue generated from exports also increased by 9.06% from ₹ 3,701.72 million in nine months ended December 31, 2019 to ₹ 4,037.11 million in nine months ended December 31, 2020, as a result of improved realization in foreign currency, and increased sales in Europe and commonwealth territories. This was partially offset by a decline in sales related to foreign subsidiaries, which decreased by 21.70% from ₹ 380.78 million in nine months ended December 31, 2019 to ₹ 298.16 million in nine months ended December 31, 2020, as a result of COVID-19, that particularly affected our manufacturing activities in Italy and China.

Other Income

Other income decreased by 11.24% from ₹ 132.33 million in nine months ended December 31, 2019 to ₹ 117.45 million in nine months ended December 31, 2020, primarily on account of decrease in interest income and other non-operating income.

Interest income decreased by 32.23% from ₹ 37.70 million in nine months ended December 31, 2019 to ₹ 25.55 million in nine months ended December 31, 2020, primarily due to decrease in interest income on fixed and other deposits by 37.25% from ₹ 37.42 million in nine months ended December 31, 2019 to ₹ 23.48 million in nine months ended December 31, 2020, on account of reduction in interest rates on fixed deposits.

Other non-operating income also decreased by 1.28% from ₹ 14.87 million in nine months ended December 31, 2019 to ₹ 14.68 million in nine months ended December 31, 2020, on account of a decrease in miscellaneous income comprising miscellaneous charges recovered from customers, and commission and brokerage income received, by 2.28% from ₹ 6.14 million in nine months ended December 31, 2019 to ₹ 6.00 million in nine months ended December 31, 2020.

These decreases were partially offset by an increase in (i) gain on foreign exchange fluctuation (net) by 0.92% from ₹ 7.63 million in nine months ended December 31, 2019 to ₹ 7.70 million in nine months ended December 31, 2020; and (ii) government grants and subsidies by 54.55% from ₹ 4.62 million in nine months ended December 31, 2019 to ₹ 7.14 million in nine months ended December 31, 2020, under the EPCG scheme due to increase in capital goods, i.e. machinery, imported under the scheme.

Expenses

Our total expenses increased by 5.83% from ₹ 4,333.75 million in nine months ended December 31, 2019 to ₹ 4,586.58 million in nine months ended December 31, 2020.

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

Cost of raw materials consumed (which includes plastic granules, PVC sheets, boxes and medical paper) and purchase of stock-in-trade increased by 16.32% from ₹ 1,660.81 million in nine months ended December 31, 2019 to ₹ 1,931.84 million in nine months ended December 31, 2020, due to increase in production and increase in cost of raw materials.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our change in inventory of finished goods, work-in-progress and stock-in-trade, increased by 90.05% from ₹ 35.09 million in nine months ended December 31, 2019 to ₹ 66.69 million in nine months ended December 31, 2020, primarily on account of decrease in sales compared to devices produced during the period.

Employee Benefit Expenses

Employee benefit expenses increased by 0.29% from ₹ 1,039.21 million in nine months ended December 31, 2019 to ₹ 1,042.25 million in nine months ended December 31, 2020, primarily due to an increase in the salaries and wages on account of annual increments. Staff welfare expenses also increased by 0.94% from ₹ 13.83 million in nine months ended December 31, 2019 to ₹ 13.96 million in nine months ended December 31, 2020.

This was partially offset by a decrease in contribution to provident fund and others by 9.66% from ₹ 74.46 million in nine months ended December 31, 2019 to ₹ 67.27 million in nine months ended December 31, 2020, due to a decrease in provident fund payable for a limited duration as specified under applicable government regulations that were introduced on account of COVID-19.

Research and Development Expenses

Research and development expenses increased by 10.73% from ₹ 84.62 million in nine months ended December 31, 2019 to ₹ 93.70 million in nine months ended December 31, 2020, primarily on account of an increase in employee benefits expenses for R&D professionals, which increased by 8.75% from ₹ 25.36 million in the nine months ended December 31, 2019 to ₹ 27.58 million in the nine months ended December 31, 2020, as a result of additional doctors and consultants engaged for our R&D activities.

Finance Costs

Finance costs increased by 1.07% from ₹ 102.31 million in nine months ended December 31, 2019 to ₹ 103.40 million in nine months ended December 31, 2020 primarily due to an increase in exchange difference to the extent considered as an adjustment to interest costs by 88.67% from ₹ 25.42 million in nine months ended December 31, 2019 to ₹ 47.96 million in nine months ended December 31, 2020, particularly on account of unrealized loss on foreign exchange loans.

This was partially offset by a decrease in interest cost on loans by 32.12% from ₹ 70.92 million in nine months ended December 31, 2019 to ₹ 48.14 million in nine months ended December 31, 2020, due to repayment of certain borrowings, and corresponding reduction in interest cost.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 12.68% from ₹ 310.44 million in nine months ended December 31, 2019 to ₹ 349.79 million in nine months ended December 31, 2020, on account of additional capital expenditure deployed in the nine months ended December 31, 2020 towards capacity expansion activities being carried out at our facilities in Faridabad and Jaipur.

Other Expenses

Other expenses decreased by 3.34% from ₹ 1,171.45 million in nine months ended December 31, 2019 to ₹ 1,132.29 million in nine months ended December 31, 2020, primarily due to decreases in:

- Power and fuel expenses that decreased by 5.20% from ₹ 197.03 million in nine months ended December 31, 2019 to ₹ 186.78 million in nine months ended December 31, 2020 on account of consumption of power and fuel through open access power bidding with IEX.

- Other miscellaneous expenses that decreased by 25.43% from ₹ 39.41 million in nine months ended December

31, 2019 to ₹ 29.39 million in nine months ended December 31, 2020 on account of reduced administration costs during the lockdown and other restrictions imposed by the Government due to COVID-19.

This was partially offset by an increase in (i) consumption of stores and spare parts that increased by 22.67% from ₹ 94.01 million in nine months ended December 31, 2019 to ₹ 115.32 million in nine months ended December 31, 2020 on account of additional consumption of store and spare due to increase in production in the nine months ended December 31 2020, as compared to the nine months ended December 31, 2019; and (ii) legal and professional fees that increased by 11.80% from ₹ 90.00 million in nine months ended December 31, 2019 to ₹ 100.62 million in nine months ended December 31, 2020 on account of increase in patent consultancy expense.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 968.31 million in nine months ended December 31, 2020 compared to ₹ 1,282.37 million in nine months ended December 31, 2019.

Tax Expense

Current tax expenses increased from ₹ 256.67 million in nine months ended December 31, 2019 to ₹ 333.41 million in nine months ended December 31, 2020, primarily on account of increase in profit before tax and disallowance of CSR expense, that was earlier subject to certain tax exemptions. Deferred tax decreased from ₹ 24.77 million in nine months ended December 31, 2019 to ₹ 19.99 million in nine months ended December 31, 2020, due to additional charge of depreciation as per Companies Act. Tax adjustments for earlier years also decreased from ₹ 4.18 million in nine months ended December 31, 2019 to ₹ (1.33) million in nine months ended December 31, 2020. As a result, total tax expense amounted to ₹ 312.09 million in nine months ended December 31, 2020 compared to ₹ 236.08 million in nine months ended December 31, 2019.

Profit after Tax

For the various reasons discussed above, we recorded a profit after tax of ₹ 970.28 million in nine months ended December 31, 2020 compared to ₹ 732.23 million in nine months ended December 31, 2019.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 969.80 million in nine months ended December 31, 2020 compared to ₹ 729.70 million in nine months ended December 31, 2019.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 1,618.10 million in nine months ended December 31, 2020 compared to EBITDA of ₹ 1,284.73 million in nine months ended December 31, 2019, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 28.21% in nine months ended December 31, 2020 compared to 24.20% in nine months ended December 31, 2019.

FISCAL 2020 COMPARED TO FISCAL 2019

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2018, 2019 and 2020:

Particulars	Fiscal 2018		Fiscal 2019		Fiscal 2020	
	(₹ million)	Percentage of total revenue	(₹ million)	Percentage of total revenue	(₹ million)	Percentage of total revenue
Income						
Revenue from operations	5,216.78	97.32%	6,108.25	97.10%	6,872.39	97.38%
Other income	143.76	2.68%	182.67	2.90%	184.63	2.62%
Total revenue	**5,360.54**	**100.00%**	**6,290.92**	**100.00%**	**7,057.02**	**100.00%**
Expenses						
Cost of raw materials consumed	1,711.20	31.92%	1,949.20	30.98%	2,252.20	31.91%
Purchases of Stock-in-Trade	43.73	0.82%	145.44	2.31%	7.06	0.10%

Particulars	Fiscal 2018		Fiscal 2019		Fiscal 2020	
	(₹ million)	Percentage of total revenue	(₹ million)	Percentage of total revenue	(₹ million)	Percentage of total revenue
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(104.43)	1.95%	(8.00)	0.13%	(88.81)	1.26%
Excise duty on sale of goods	12.61	0.24%	-	-	-	-
Employee benefits expense	991.26	18.49%	1,166.07	18.54%	1,387.64	19.66%
Research and development expenses	100.48	1.87%	101.49	1.61%	119.42	1.69%
Finance cost	99.65	1.86%	117.51	1.87%	183.14	2.60%
Depreciation and amortization expense	292.44	5.46%	372.92	5.93%	405.28	5.74%
Other expenses	1,258.49	23.48%	1,459.54	23.20%	1,555.26	22.04%
Total expenses	**4,405.43**	**82.18%**	**5,304.17**	**84.31%**	**5,821.20**	**82.49%**
Profit before tax, and share of net profit from associates	**955.11**	**17.82%**	**986.76**	**15.69%**	**1,235.83**	**17.51%**
Share of profits from associates	12.40	0.23%	13.99	0.22%	21.41	0.30%
Profit before tax	**967.52**	**18.05%**	**1,000.75**	**15.91%**	**1,257.23**	**17.82%**
Tax expenses						
Current tax	253.66	4.73%	308.56	4.90%	331.73	4.70%
Deferred tax	7.92	0.15%	29.33	0.47%	(38.41)	0.54%
Tax adjustment for earlier years (net)	-		8.87	0.14%	5.14	0.07%
Total tax expenses	**261.58**	**4.88%**	**346.76**	**5.51%**	**298.45**	**4.23%**
Profit after tax	**705.94**	**13.17%**	**653.99**	**10.40%**	**958.80**	**13.59%**
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Acturial gains/ (losses) of defined benefit plan	4.08	0.08%	0.29	0.00%	3.82	0.05%
Tax impacts on above	(1.41)	0.03%	(0.10)	0.00%	(0.96)	0.01%
Other comprehensive income for the year (net of tax)	**2.67**	**0.05%**	**0.19**	**0.00%**	**2.86**	**0.04%**
Total comprehensive income for the year	**708.61**	**13.22%**	**654.18**	**10.40%**	**961.64**	**13.63%**
Profit for the year attributable to:						
Equity holders of the Company	705.94	13.17%	653.99	10.40%	958.78	13.59%
Non-controlling interests	-	-	-	-	-	-
Total comprehensive income for the year attributable to:						
Equity holders of the Company	708.61	13.22%	654.18	10.40%	961.64	13.63%
Non-controlling interests	-		-	-	-	-

FISCAL 2020 COMPARED TO FISCAL 2019

Total Revenue

Total revenue increased by 12.18% from ₹ 6,290.92 million in Fiscal 2019 to ₹ 7,057.02 million in Fiscal 2020 primarily due to an increase in revenue from operations. Revenue from operations increased by 12.50% from ₹

6,108.25 million in Fiscal 2019 to ₹ 6,872.39 million in Fiscal 2020 due to the reasons given below.

Revenue from Operations

Revenues from operations increased by 12.50% from ₹ 6,108.25 million in Fiscal 2019 to ₹ 6,872.39 million in Fiscal 2020, primarily due to an increase in sale of products by 13.24% from ₹ 5,910.09 million in Fiscal 2019 to ₹ 6,692.62 million in Fiscal 2020, particularly medical devices such as IV Cannula, IV Set, Safety IVC and blood bag, in both domestic and export markets. The increase in sale of products was driven by an increase in revenue from manufactured products, such as, IV Cannula, IV Set, Safety IVC and blood bag by 14.61% from ₹ 5,832.65 million in Fiscal 2019 to ₹ 6,684.53 million in Fiscal 2020. This increase was partially offset by a decrease in sale of traded goods from ₹ 77.44 million in Fiscal 2019 to ₹ 8.09 million in Fiscal 2020, on account of decrease in purchase and sale of third-party products by our Company.

The increase in revenue from operations was partially offset by a decrease in other operating revenue by 9.28% from ₹ 198.16 million in Fiscal 2019 to ₹ 179.77 million in Fiscal 2020 primarily due to a decrease in export incentives by 5.49% from ₹ 166.52 million in Fiscal 2019 to ₹ 157.39 million in Fiscal 2020, as a result of decrease in the rate of export incentives under MEIS from 4% that was applicable in Fiscal 2019, to 2% that is applicable with effect from January 1, 2020. Other operating revenues, primarily comprising development charges, also decreased from ₹ 8.13 million in Fiscal 2019 to no such income in Fiscal 2020, on account of no technical consultancy services provided in Fiscal 2020, compared to services provided in Fiscal 2019.

Revenue by Geography

Revenue generated from domestic sales increased by 13.94% from ₹ 1,639.79 million in Fiscal 2019 to ₹ 1,868.39 million in Fiscal 2020, as a result of launch of new products. Revenue generated from exports also increased by 12.08% from ₹ 4,452.71 million in Fiscal 2019 to ₹ 4,990.65 million in Fiscal 2020, and sales related to foreign subsidiaries also increased by 73.18% from ₹ 233.68 million in Fiscal 2019 to ₹ 404.70 million in Fiscal 2020. This was on account of acquisition of additional shareholding in Plan 1 Health SRL making it a wholly-owned subsidiary of our Company with effect from March 14, 2019. As a result, we accounted for the revenues of Plan 1 Health SRL as a wholly-owned subsidiary for the year ended March 31, 2020.

Other Income

Other income marginally increased by 1.07% from ₹ 182.67 million in Fiscal 2019 to ₹ 184.63 million in Fiscal 2020, primarily on account of gain on foreign exchange fluctuation (net).

Interest income decreased marginally by 0.93% from ₹ 50.82 million in Fiscal 2019 to ₹ 50.35 million in Fiscal 2020, primarily due to a decrease in dividend/ governing council share by 89.95% from ₹ 15.53 million in Fiscal 2019 to ₹ 1.56 million in Fiscal 2020, as a result of reduction in dividend received from our associate entity in Egypt.

Other non-operating income also decreased by 61.25% from ₹ 39.15 million in Fiscal 2019 to ₹ 15.17 million in Fiscal 2020, on account of a decrease in miscellaneous income comprising miscellaneous charges recovered from customers, and commission and brokerage received, by 71.81% from ₹ 27.63 million in Fiscal 2019 to ₹ 7.79 million in Fiscal 2020, on account of decrease in other non-operating income of our subsidiary company.

Expenses

Our total expenses increased by 9.75% from ₹ 5,304.17 million in Fiscal 2019 to ₹ 5,821.99 million in Fiscal 2020.

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

Cost of raw materials consumed (which includes plastic granules, PVC sheets, boxes and medical paper) and purchase of stock-in-trade increased by by 7.86% from ₹ 2,094.64 million in Fiscal 2019 to ₹ 2,259.26 million in Fiscal 2020, due to increased production.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our change in inventory of finished goods, work-in-progress and stock-in-trade, decreased from ₹ (8.00) million in Fiscal 2019 to ₹ (88.81) million in Fiscal 2020, primarily on account of increase in production.

Excise Duty on Sale of Goods

We did not incur any excise duty on sale of goods in Fiscal 2019 and Fiscal 2020.

Employee Benefit Expenses

Employee benefit expenses increased by 19.00% from ₹ 1,166.07 million in Fiscal 2019 to ₹ 1,387.64 million in Fiscal 2020, primarily due to an increase in the salaries, wages and bonus by 17.84% from ₹ 1,077.39 million in Fiscal 2019 to ₹ 1,269.57 million in Fiscal 2020, and on account of increase in the number of full time employees and annual increment.

Contribution to provident fund and others also increased by 34.18% from ₹ 73.81 million in Fiscal 2019 to ₹ 99.04 million in Fiscal 2020, due to increase in number of full time employees, and staff welfare expenses also increased by 34.85% from ₹ 13.00 million in Fiscal 2019 to ₹ 17.66 million in Fiscal 2020, as a result of incremental business and incremental expense for staff related cultural activities.

Research and Development Expenses

Research and development expenses increased by 17.67% from ₹ 101.49 million in Fiscal 2019 to ₹ 119.42 million in Fiscal 2020, primarily on account of increase in (i) net cost of components and material consumed for R&D, which increased by 8.54% from ₹ 68.18 million in Fiscal 2019 to ₹ 74.00 million in Fiscal 2020; (ii) increase in employee benefit expenses for R&D professionals by 27.10% from ₹ 27.49 million in Fiscal 2019 to ₹ 34.94 million in Fiscal 2020, driven by new technical hires, including engineers, and (iii) R&D expenditure relating to foreign subsidiary from no such expense in Fiscal 2019 to ₹ 3.95 million in Fiscal 2020.

Finance Costs

Finance costs increased by 55.86% from ₹ 117.51 million in Fiscal 2019 to ₹ 183.14 million in Fiscal 2020 primarily due to an increase in (i) exchange difference to the extent considered as an adjustment to interest costs from ₹ (2.14) million in Fiscal 2019 to ₹ 84.23 million in Fiscal 2020, and (ii) interest on lease liabilities from no such expense in Fiscal 2019 to ₹ 4.35 million in Fiscal 2020 recognized further to application of Ind AS 116 with effect from April 1, 2019. For further information on the impact of Ind AS 116 on our financial statements, see "***Financial Information***" on page 204. This increase was offset by a decrease in interest on loans by 22.31% from ₹ 117.14 million in Fiscal 2019 to ₹ 91.01 million in Fiscal 2020, due to repayment of certain borrowings, and corresponding reduction in interest cost.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 8.68% from ₹ 372.92 million in Fiscal 2019 to ₹ 405.28 million in Fiscal 2020, on account of additional capital expenditure deployed amounting to ₹ 934.55 million in Fiscal 2020 towards capacity expansion activities being carried out at our facilities in Faridabad and Jaipur.

Other Expenses

Other expenses increased by 6.56% from ₹ 1,459.54 million in Fiscal 2019 to ₹ 1,555.26 million in Fiscal 2020, primarily due to an increase in:

- Job work charges that increased by 14.35% from ₹ 480.44 million in Fiscal 2019 to ₹ 549.39 million in Fiscal 2020 on account of increase in job work carried out by Vitromed Healthcare, as a result of increased sales and greater demand for our medical devices.

- Power and fuel expenses that increased by 3.57% from ₹ 247.45 million in Fiscal 2019 to ₹ 256.28 million in Fiscal 2020 on account of increase in production.

- Travelling and conveyance expenses that increased by 13.45% from ₹ 114.71 million in Fiscal 2019 to ₹ 130.14 million in Fiscal 2020 on account of increased marketing efforts during the period.

- Other miscellaneous expenses comprising general office expense, postage and courier, membership and subscription and printing and stationery expenses, also increased by 34.31% from ₹ 30.02 million in Fiscal 2019 to ₹ 40.32 million in Fiscal 2020.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 1,257.23 million in Fiscal 2020 compared to ₹ 1,000.75 million in Fiscal 2019.

Tax Expense

Current tax expenses increased from ₹ 308.56 million in Fiscal 2019 to ₹ 331.73 million in Fiscal 2020, primarily on account of increase in profit before tax. This was partially offset by a decrease in deferred tax of ₹ 29.33 million in Fiscal 2019 to ₹ (38.41) million in Fiscal 2020, due to decrease in effective income tax rate from 34.94% in Fiscal 2019 to 25.17% applicable in Fiscal 2020 and a decrease in tax adjustments for earlier years from ₹ 8.87 million in Fiscal 2019 to ₹ 5.14 million in Fiscal 2020. As a result, total tax expense amounted to ₹ 298.45 million in Fiscal 2020 compared to ₹ 346.76 million in Fiscal 2019.

Profit after Tax

For the various reasons discussed above, we recorded a profit after tax of ₹ 958.78 million in Fiscal 2020 compared to ₹ 653.99 million in Fiscal 2019.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 961.64 million in Fiscal 2020 compared to ₹ 654.18 million in Fiscal 2019.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 1,661.02 million in Fiscal 2020 compared to EBITDA of ₹ 1,308.50 million in Fiscal 2019, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 24.16% in Fiscal 2020 compared to 21.42% in Fiscal 2019.

FISCAL 2019 COMPARED TO FISCAL 2018

Total Revenue

Total revenue increased by 17.36% from ₹ 5,360.54 million in Fiscal 2018 to ₹ 6,290.92 million in Fiscal 2019 primarily due to an increase in revenue from operations. Revenue from operations increased by 17.09% from ₹ 5,216.78 million in Fiscal 2018 to ₹ 6,108.25 million in Fiscal 2019 due to the reasons given below.

Revenue from Operations

Revenues from operations increased by 17.09% from ₹ 5,216.78 million in Fiscal 2018 to ₹ 6,108.25 million in Fiscal 2019, primarily due to an increase in sale of products by 16.20% from ₹ 5,086.12 million in Fiscal 2018 to ₹ 5,910.09 million in Fiscal 2019, particularly medical devices in both domestic and export markets. Revenue from traded goods, also increased by 65.53% from ₹ 46.78 million in Fiscal 2018 to ₹ 77.44 million in Fiscal 2019, on account of an increase in purchase and sale of third-party products by our Company.

Other operating revenue also increased by 51.66% from ₹ 130.66 million in Fiscal 2018 to ₹ 198.16 million in Fiscal 2019 primarily due to an increase in (i) export incentives by 38.90% from ₹ 119.89 million in Fiscal 2018 to ₹ 166.52 million in Fiscal 2019, as a result of increase in the rate of export incentives applicable under MEIS; and (ii) sale of scrap by 118.29% from ₹ 10.77 million in Fiscal 2018 to ₹ 23.51 million in Fiscal 2019, on account of increase in scrap generated/ material processed on account of increased production; and (iii) other operating revenues, primarily comprising development charges, from no such income in Fiscal 2018 to ₹ 8.13 million in Fiscal 2019, due to technical consultancy services provided in Fiscal 2019.

Revenue by Geography

Revenue generated from domestic sales increased by 29.88% from ₹ 1,274.62 million in Fiscal 2018 to ₹ 1,655.54 million in Fiscal 2019, as a result of increased demand for our products on the back of sustained marketing and distribution efforts; revenue generated from exports also increased by 12.95% from ₹ 3,942.16 million in Fiscal

2018 to ₹ 4,452.71 million in Fiscal 2019, on account of improved realization in foreign currencies, and greater demand for our medical devices in Europe.

Other Income

Other income increased by 27.07% from ₹ 143.76 million in Fiscal 2018 to ₹ 182.67 million in Fiscal 2019, primarily on account of increase in interest income and other non-operating income.

Interest income increased by 151.46% from ₹ 20.21 million in Fiscal 2018 to ₹ 50.82 million in Fiscal 2019, primarily due to an increase in (i) interest income on fixed and other deposits by 131.76% from ₹ 15.08 million in Fiscal 2018 to ₹ 34.95 million in Fiscal 2019, on account of increase in interest rates, and (ii) increase in dividend/ governing council share from no such income in Fiscal 2018 to ₹ 15.53 million in Fiscal 2019, on account of dividend received from our associate entity in Egypt.

Other non-operating income also increased by 181.45% from ₹ 13.91 million in Fiscal 2018 to ₹ 39.15 million in Fiscal 2019, on account of an increase in (i) government grants and subsidies by 49.26% from ₹ 5.40 million in Fiscal 2018 to ₹ 8.06 million in Fiscal 2019, on account of increased import of machinery under the EPCG scheme, and (ii) miscellaneous income comprising miscellaneous charges received, and commission and brokerage income received, from ₹ 7.91 million in Fiscal 2018 to ₹ 27.63 million in Fiscal 2019.

These increases were partially offset by a decrease in gain on foreign exchange fluctuation (net) by 34.94% from ₹ 104.26 million in Fiscal 2018 to ₹ 67.83 million in Fiscal 2019, on account of lower realization on export debtors.

Expenses

Our total expenses increased by 20.40% from ₹ 4,405.43 million in Fiscal 2018 to ₹ 5,304.17 million in Fiscal 2019.

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

Cost of raw materials consumed (which includes plastic granules, PVC sheets, boxes and medical paper) and purchase of stock-in-trade increased by 19.36% from ₹ 1,754.93 million in Fiscal 2018 to ₹ 2,094.64 million in Fiscal 2019, due to increase in production.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our change in inventory of finished goods, work-in-progress and stock-in-trade, decreased by 92.34% from ₹ (104.43) million in Fiscal 2018 to ₹ (8.00) million in Fiscal 2019, primarily on account of increase in sales volume.

Excise Duty on Sale of Goods

Revenue from operations for periods up to June 30, 2017 includes excise duty of ₹ 12.61 million. From July 1, 2017 onwards the excise duty and most indirect taxes in India were replaced by GST. We collect GST on behalf of the Government, and GST is therefore not included in revenue from operations.

Employee Benefit Expenses

Employee benefit expenses increased by 17.64% from ₹ 991.26 million in Fiscal 2018 to ₹ 1,166.07 million in Fiscal 2019, primarily due to an increase in the salaries, wages and bonus by 18.58% from ₹ 908.57 million in Fiscal 2018 to ₹ 1,077.39 million in Fiscal 2019, and on account of increase in the number of employees and annual increment.

Contribution to provident fund and others also increased by 10.35% from ₹ 66.89 million in Fiscal 2018 to ₹ 73.81 million in Fiscal 2019, due to increase in the number of employees.

This was partially offset by a decrease in staff welfare expenses by 7.14% from ₹ 14.00 million in Fiscal 2018 to ₹ 13.00 million in Fiscal 2019.

Research and Development Expenses

Research and development expenses increased by 1.01% from ₹ 100.48 million in Fiscal 2018 to ₹ 101.49 million in Fiscal 2019, primarily on account of an increase in cost of components and material consumed by 6.35% from ₹ 64.11 million in Fiscal 2018 to ₹ 68.18 million in Fiscal 2019. This was partially offset by a decrease in (i) employee benefits expenses for R&D professionals, which decreased by 12.31% from ₹ 31.36 million in Fiscal 2018 to ₹ 27.49 million in Fiscal 2019, and (ii) capital expenditure by 90.73% from ₹ 24.06 million in Fiscal 2018 to ₹ 2.23 million in Fiscal 2019, on account of development of the R&D Center in Faridabad Fiscal 2018.

Finance Costs

Finance costs increased by 17.94% from ₹ 99.65 million in Fiscal 2018 to ₹ 117.51 million in Fiscal 2019 primarily due to an increase in interest on loans by 27.44% from ₹ 91.92 million in Fiscal 2018 to ₹ 117.14 million in Fiscal 2019, on account of additional loans and increases in interest rate. This increase was offset by a decrease in exchange difference to the extent considered as an adjustment to interest costs by 136.84% from ₹ 5.80 million in Fiscal 2018 to ₹ (2.14) million in Fiscal 2019.

Depreciation and Amortization Expense

Depreciation and amortisation expense increased by 27.52% from ₹ 292.44 million in Fiscal 2018 to ₹ 372.92 million in Fiscal 2019, on account of additional capital expenditure deployed amounting to ₹ 510.52 million in Fiscal 2019 towards capacity expansion activities being carried out at our facilities in Faridabad and Jaipur.

Other Expenses

Other expenses increased by 15.98% from ₹ 1,258.49 million in Fiscal 2018 to ₹ 1,459.54 million in Fiscal 2019, primarily due to an increase in:

- Consumption of stores and spare parts that increased by 23.77% from ₹ 115.46 million in Fiscal 2018 to ₹ 142.90 million in Fiscal 2019 on account of increase in production.

- Power and fuel expenses that increased by 28.86% from ₹190.44 million in Fiscal 2018 to ₹ 245.40 million in Fiscal 2019 on account of increase in production.

- Legal and professional fees that increased by 52.30% from ₹ 90.29 million in Fiscal 2018 to ₹ 137.52 million in Fiscal 2019 due to a management fee of ₹ 14.18 million paid to a recently appointed Non-Executive Director at our Subsidiary in Italy, and additional legal consulting charges.

- Other miscellaneous expenses comprising general office expense, membership and subscription expenses, postage and courier charges, and printing and stationery charges, also increased by 38.83% from ₹ 40.54 million in Fiscal 2018 to ₹ 56.28 million in Fiscal 2019.

Profit before Tax, and share of net profit from associates

For the reasons discussed above, profit before tax and share of net profit from associates was ₹ 986.76 million in Fiscal 2019 compared to ₹ 955.11 million in Fiscal 2018.

Tax Expense

Current tax expenses increased from ₹ 253.66 million in Fiscal 2018 to ₹ 308.56 million in Fiscal 2019, primarily on account of increase in profit before tax. Deferred tax also increased from ₹ 7.92 million in Fiscal 2018 to ₹ 29.33 million in Fiscal 2019 on account of additional depreciation claimed in income tax. Tax adjustments for earlier years also increased from no such expense in Fiscal 2018 to ₹ 8.87 million in Fiscal 2019, as a result of demand raised based on tax assessment of earlier years. As a result, total tax expense amounted to ₹ 346.76 million in Fiscal 2019 compared to ₹ 261.58 million in Fiscal 2018.

Profit after Tax

For the various reasons discussed above, we recorded a profit after tax of ₹ 653.99 million in Fiscal 2019 compared to ₹ 705.94 million in Fiscal 2018.

Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹ 654.18 million in Fiscal 2019 compared to ₹ 708.61 million in Fiscal 2018.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 1,308.50 million in Fiscal 2019 compared to EBITDA of ₹ 1,215.84 million in Fiscal 2018, while EBITDA margin (EBITDA as a percentage of our revenue from operations) was 21.42% in Fiscal 2019 compared to 23.30% in Fiscal 2018.

Liquidity and Capital Resources

Cash Flows

Historically, our primary liquidity requirements have been to finance our working capital needs, loan repayments, and our capital expenditures.

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Fiscal			Nine Months ended December 31,
	2018	2019	2020	2020
	(₹ million)			
Net cash from/ (used in) operating activities	749.57	1,071.22	1,305.05	1,206.39
Net cash from/ (used in) investing activities	(880.31)	(1,019.11)	(1,094.59)	(850.74)
Net cash from/ (used in) financing activities	157.14	(45.94)	(205.07)	(322.10)
Net (decrease)/ increase in cash and cash equivalents	26.40	6.17	5.40	33.54
Cash and cash equivalents at the end of the period/ year	37.01	43.18	48.57	82.12

Operating Activities

Nine months ended December 31, 2020

In the nine months ended December 31, 2020, net cash from operating activities was ₹ 1,206.39 million. Profit before tax and exceptional items was ₹ 1,265.99 million in the nine months ended December 31, 2020 and adjustments to reconcile profit before tax and exceptional items to net cash flows primarily consisted of depreciation and amortization of ₹ 349.79 million, and interest expense of ₹ 103.40 million. Operating profit before working capital changes was ₹ 1,711.39 million in the nine months ended December 31, 2020. The main working capital adjustments in the nine months ended December 31, 2020, included increase in inventory of ₹ 121.59 million, increase in debtors of ₹ 125.37 million, and increase in trade payables of ₹ 109.29 million. Cash generated from operations in the nine months ended December 31, 2020 amounted to ₹ 1,519.46 million. Direct taxes paid (net of refunds) amounted to ₹ 313.06 million.

Fiscal 2020

In Fiscal 2020, net cash from operating activities was ₹ 1,305.05 million. Profit before tax and exceptional items was ₹ 1,235.83 million in Fiscal 2020 and adjustments to reconcile profit before tax and exceptional items to net cash flows primarily consisted of depreciation and amortization of ₹ 405.28 million, interest expense of ₹ 183.14 million, and Ind AS adjustment on forward contracts (net) of ₹ 33.47 million. Operating profit before working capital changes was therefore ₹ 1,785.12 million in Fiscal 2020. The main working capital adjustments in Fiscal 2020 included increase in inventories of ₹ 283.04 million, increase in financial assets of ₹ 41.64 million. This was partially offset by an increase in trade payables of ₹ 102.02 million. Cash generated from operations in Fiscal 2020 amounted to ₹1,664.40 million. Direct taxes paid (net of refunds) amounted to ₹ 359.35 million.

Fiscal 2019

In Fiscal 2019, net cash from operating activities was ₹ 1,064.82 million. Profit before tax and exceptional items was ₹ 986.76 million in Fiscal 2019 and adjustments to reconcile profit before tax to net cash flows primarily consisted of depreciation and amortization of ₹ 372.92 million, and interest expense of ₹ 117.51 million. Operating profit before working capital changes was ₹ 1,429.01 million in Fiscal 2019. The main working capital adjustments in Fiscal 2019 included increase in sundry debtors of ₹ 191.54 million, and increase in inventories of ₹ 108.02 million. This was partially offset by decrease in trade payables of ₹ 136.88 million. Cash generated from operations in Fiscal 2019 amounted to ₹ 1,342.07 million. Direct taxes paid (net of refunds) amounted to ₹ 277.25 million.

Fiscal 2018

In Fiscal 2018, net cash from operating activities was ₹ 749.57 million. Profit before tax and exceptional items was ₹ 955.11 million in Fiscal 2018 and adjustments to reconcile profit before tax and exceptional items to net cash flows primarily consisted of depreciation and amortization of ₹ 292.44 million, share in income of associates of ₹ 12.40 million, and interest expense of ₹ 99.65 million. Operating profit before working capital changes was ₹ 1,354.45 million in Fiscal 2018. The main working capital adjustments in Fiscal 2018 included increase in other assets of ₹ 167.51 million, increase in sundry debtors of ₹ 151.38 million, and increase in inventories of ₹ 110.43 million. Cash generated from operations in Fiscal 2018 amounted to ₹ 980.92 million. Direct taxes paid (net of refunds) amounted to ₹ 231.35 million.

Investing Activities

Nine months ended December 31, 2020

Net cash used in investing activities was ₹ 850.74 million in the nine months ended December 31, 2020, primarily on account of purchase of fixed asset of ₹ 746.34 million and purchase of investment net of ₹ 238.24 million.

Fiscal 2020

Net cash used in investing activities was ₹ 1,094.59 million in Fiscal 2020, primarily on account of purchase of fixed assets (including capital advances) of ₹ 1,060.22 million, and purchase of investments of ₹ 172.01 million, which was marginally offset by proceeds from fixed deposits (net) of ₹ 81.83 million.

Fiscal 2019

Net cash used in investing activities was ₹ 1,007.36 million in Fiscal 2019, primarily on account of purchase of fixed assets (including capital advances) of ₹ 779.97 million and investment in fixed deposits (net) of ₹ 382.97 million, which was marginally offset by purchase of investments (net) of ₹ 100.33 million.

Fiscal 2018

Net cash used in investing activities was ₹ 880.31 million in Fiscal 2018, primarily on account of purchase of fixed assets (including capital advances) of ₹ 824.56 million, and purchase of investments of ₹ 122.74 million.

Financing Activities

Nine months ended December 31, 2020

Net cash used in financing activities was ₹ 322.10 million in the nine months ended December 31, 2020, primarily on account of repayment of borrowing of ₹ 208.43 million and interest charges paid of ₹ 104.12 million.

Fiscal 2020

Net cash used in financing activities was ₹ 205.07 million in Fiscal 2020, primarily on account of dividend and tax thereon paid of ₹424.75 million, and interest/ finance charges paid of ₹ 100.16 million. This was partially offset by proceeds from borrowings/ deferred payment liabilities (net) of ₹ 332.95 million.

Fiscal 2019

Net cash used in financing activities was ₹ 51.29 million in Fiscal 2019, primarily on account of dividend and tax thereon paid of ₹ 211.93 million, and interest/ finance charges paid of ₹ 122.28 million. This was partially offset by proceeds from borrowings/ deferred payment liabilities (net) of ₹ 282.41 million.

Fiscal 2018

Net cash from financing activities was ₹ 157.14 million in Fiscal 2018, primarily on account of proceeds from borrowings/ deferred payment liabilities (net) of ₹ 309.31 million. This was partially offset by interest/ finance charges paid of ₹ 99.08 million.

INDEBTEDNESS

As of December 31, 2020, we had total borrowings (consisting of long term borrowings) of ₹ 1,836.86 million. Our gross debt to equity ratio was 0.35 as of December 31, 2020.

The following table sets forth certain information relating to our outstanding indebtedness as of December 31, 2020, and our repayment obligations in the periods indicated:

Particulars	**As of December 31, 2020 Payment due by period (₹ million)**				
	Total	**Not later than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
Long Term Borrowings					
Term loans (secured)	755.57	-	755.57	-	-
Term loans (unsecured)	-	-	-	-	-
Total long term borrowings	755.57	-	755.57	-	-
Short Term Borrowings					
Secured	1,081.29	1,081.29	-	-	-
Unsecured	-	-	-	-	-
Total Short Term Borrowings	**1,081.29**	**1,081.29**	**-**	-	-
Total Borrowings	**1,836.86**	**1,081.29**	**755.57**	-	-

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2020, our contingent liabilities that have not been accounted for in our financial statements, were as follows:

Particulars	**Amount (₹ million)**
Claims against the Company not acknowledged as debts	8.62
Tax matters in dispute under appeal	
Total	8.62

For further information on our contingent liabilities, see "***Financial Information***" on page 204.

Except as disclosed in the Financial Statements or elsewhere in this Placement Document, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to future payments due under known contractual commitments as of December 31, 2020, aggregated by type of contractual obligation:

	As of December 31, 2020 Payment due by period				
	Total	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Particulars	**(₹ million)**				
Contractual obligations					
Long-term debt obligations	-	-	-	-	-
Capital (finance) lease obligations	-	-	-	-	-
Operating lease obligations	35.62	12.53	23.08	-	-
Purchase obligations	245.32	245.32	-	-	-

Particulars	As of December 31, 2020				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(₹ million)				
Other long-term liabilities	-	-	-	-	-
Lease arrangements	-	-	-	-	-
Total	**280.94**	**257.85**	**23.08**	-	-

For further information on our capital and other commitments, see "***Financial Information***" on page 204.

CAPITAL EXPENDITURES

In Fiscal 2018, Fiscal 2019, Fiscal 2020 and in the nine months ended December 31, 2020, our capital expenditure towards additions to fixed assets (property, plant and equipment's and intangible assets) were ₹ 835.81 million, ₹ 522.25 million, ₹ 987.44 million and ₹ 826.97 million, respectively. The following table sets forth our fixed assets for the periods indicated:

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Nine months ended December 31, 2020
	(₹ million)			
Property, plant and equipment	826.49	488.60	894.34	806.76
Intangible Assets	26.83	21.92	40.22	28.22
Capital Work in Progress	(17.51)	11.73	52.88	(8.01)
Total	**835.81**	**522.25**	**987.44**	**826.97**

For further information, see "***Financial Information***" on page 204.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration to executive Directors and Key Managerial Personnel. For further information relating to our related party transactions, see "***Financial Information***" on page 204.

AUDITOR's OBSERVATIONS

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited financial statements as of and for the years ended March 31, 2018, 2019 and 2020, and in their limited review reports on the limited reviewed financial statements as of and for the nine months ended December 31, 2019 and December 31, 2020.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosure about market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are subject to commodity price risk, foreign exchange risk and interest rate risk.

The financial instruments that are affected by these include loans and borrowing, deposits, available-for-sale investments and derivative financial instruments. We, from time to time, undertake analysis in relation to the amount of our net debt, the ratio of fixed to floating interest rates of our debt and our financial instruments that are in foreign currencies. We use derivative financial instruments such as foreign exchange contracts to manage our exposures to foreign exchange fluctuations.

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials, which we use in the manufacture of our products. While we seek to pass on input cost increases to our customers, we may not be able to fully achieve this in all situations or at all times.

Foreign exchange risk

We face foreign exchange risk in respect of our foreign currency loans, and expenses in relation to imported raw materials. However, as a substantial portion of our sales are exports, and revenues generated from these sales are denominated in foreign currencies, our exposure to foreign exchange fluctuations is relatively hedged.

Inflation risk

Inflationary factors such as increases in the raw material costs may adversely affect our operating results. There may be time lag in recovering the inflation impact from our customer and we may not be able to recover the full impact of such inflation. A high rate of inflation in the future may, therefore, have an adverse effect on our ability to maintain our profit margins.

Credit risk

We are subject to the risk that our counterparties including under various financial agreements will not meet their obligations. Our credit risk exposure relates to our operating activities and our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Interest rate risk

We are subject to market interest risks due to fluctuations in interest rates primarily in relation to our debt obligations with floating interest rates. As of December 31, 2020, 100.00%, respectively, of our total loans carried floating interest rate. The interest rate on remaining loans, although fixed, is subject to periodic review by lending banks / financial institutions in relation to their respective base lending rates, which may vary over a period result of any change in the monetary policy of the Reserve Bank of India.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Placement Document, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "***– Significant Factors Affecting our Results of Operations and Financial Condition***" and the uncertainties described in "***Risk Factors***" on pages 70 and 32, respectively.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in " ***– Significant Factors Affecting our Results of Operations and Financial Condition***" and the uncertainties described in "***Risk Factors***" on pages 70 and 32, respectively. To our knowledge, except as discussed in this Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "***Risk Factors***", "***Business***" and " – ***Significant Factors Affecting our Results of Operations and Financial Condition***" on pages 32, 119 and 70 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Placement Document, we have not announced and do not expect to announce in the near future any new business segments.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "***Business***", "***Industry Overview***" and "***Risk Factors***" on pages 119, 99 and 32, respectively, for further details on competitive conditions that we face across our various business segments.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals are as described in "***– Fiscal 2020 compared to Fiscal 2019***" and "***– Fiscal 2019 compared to Fiscal 2018***" above on pages 87 and 90, respectively.

SEGMENT REPORTING

The operating segment is medical devices, as evaluated in accordance with Ind AS - 108 "*Operating Segment*". We accordingly report our financial statements under one segment, namely, "*Medical Devices*".

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Revenue generated from sales to our top five customers represented 18.22% and 17.15%, and to top 10 customers represented 32.55% and 29.10%, respectively, of our revenue from operations in the nine months ended December 31, 2019 and 2020, respectively. See "***Risk Factors – Our business is dependent on certain principal customers and the loss of, or a significant reduction in purchases by such customers could adversely affect our business, financial condition, results of operations and future prospects***" on page 42.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our business does not exhibit seasonality. For further information, see "***Industry Overview***" and "***Our Business***" on pages 99 and 119, respectively.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2020 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in this Placement Document, there have been no significant developments after December 31, 2020 that may affect our future results of operations.

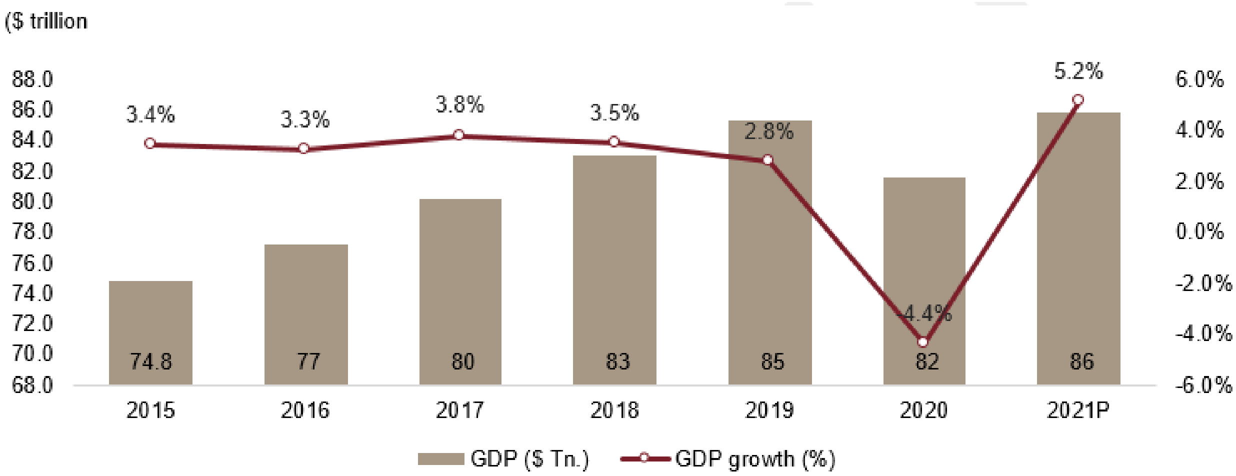
*Unless otherwise indicated or the context otherwise requires, the information in this section is obtained or extracted from the report titled "Market Assessment of the Medical Device Industry in India" dated January 2021 (the "**CRISIL Report**") prepared and issued by CRISIL Limited. Neither we nor any other person connected with the Issue have independently verified the information in this section. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

GLOBAL MACRO-ECONOMIC OVERVIEW

Global GDP Review and Outlook

Global real GDP growth was recorded at 3% to 4% between 2015 and 2018, according to the International Monetary Fund (IMF). While it declined to 2.8% in 2019, the IMF expects global real GDP to further de-grow 4.4% in 2020 owing to the COVID-19 pandemic, which has disrupted businesses across the world. Almost all major countries announced stimulus packages as responses to the pandemic, which resulted in a recovery in the second half of 2020. By the end of 2021, global GDP is expected to rebound strongly and record a year on year growth of 5.2%.

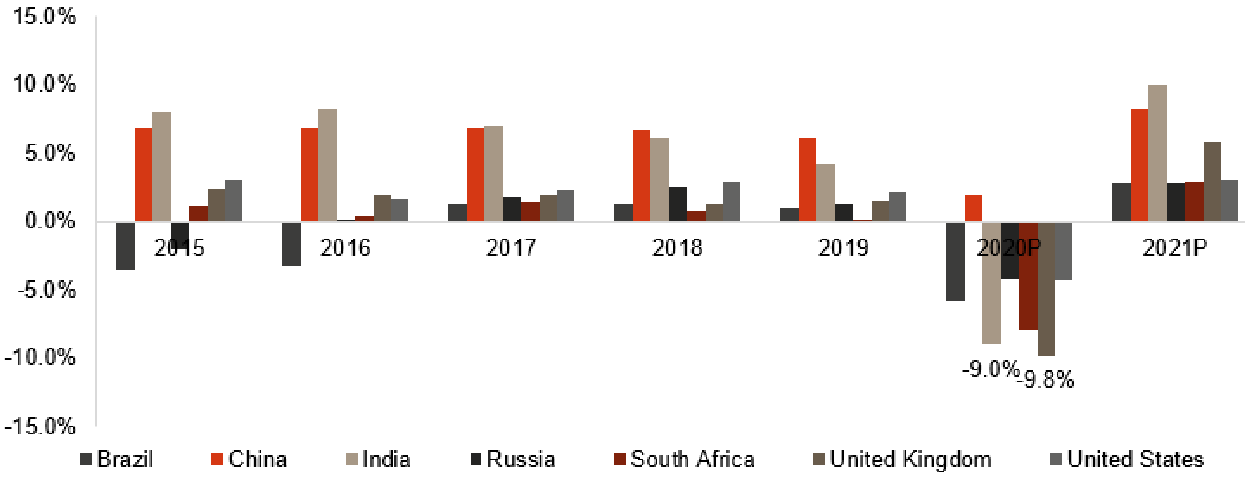
Trend and outlook for global GDP (2015-2021 (projected))



Real GDP Growth – India

India was one of the fastest growing economies in 2018 and 2019. In 2020, GDP of all countries – including that of developed countries such as the US and the UK, except China, is expected to de-grow primarily due to the negative economic impact of the pandemic. India's GDP is expected to decline by 9.0% in 2020. Further, GDP growth of all major economies is expected to rebound in 2021, on account of resumption of economic activities and the low base of 2020. Among the major economies, India, with a growth rate of approximately 10%, is expected to be the fastest growing in 2021 followed by China with an expected growth rate 8.2%.

Trend of real GDP growth rate (%) for major economies (2015-2021 (projected))



Review of global per capita GDP

Global GDP per capita grew at a CAGR of 1.7% between 2013 and 2019, according to data sourced by the World Bank. During the period, the year-on-year global GDP per capita grew in the range of 1.4% to 2.1%. However, India's GDP per capital grew at a CAGR of approximately 5.8%.

Global and Indian per capita GDP growth at constant 2010 $ (2013-2021 (projected))

	2013	2014	2015	2016	2017	2018	2019	CAGR
Per capita GDP – **Global** (constant 2010 US$)	10010	10175	10347	10493	10713	10919	11070	1.7%
On-year growth (%)		1.6%	1.7%	1.4%	2.1%	1.9%	1.4%	
Per capita GDP – **India** (constant 2010 US$)	1545	1640	1752	1876	1987	2086	2169	5.8%
On-year growth (%)		6.2%	6.8%	7.1%	5.9%	5.0%	4.0%	

Source: World Bank, CRISIL Research

GDP outlook for Fiscals 2021 and 2022

Revival of the economy has been faster than anticipated in the second quarter of Fiscal 2021, which continued during the festival season, and a consistent decline in Covid-19 cases. It is therefore estimated that the Indian economy will contract 7.7% this fiscal. Inadequate fiscal spending, however, remains a constraint, and the possibility of a second wave of afflictions, uncertainty regarding availability of vaccine, and challenges in global economic revival due to resurgence of cases may need to be considered. This is based on the following assumptions:

Manufacturing revival: The manufacturing sector grew by 0.6% year on year in the second quarter after contracting for four straight quarters, primarily due to: return of untapped demand, as restrictions were eased as part of unlocking the economy; improved performance of exports in select sectors such as pharmaceuticals, engineering goods, iron and steel and textiles; better rural incomes (farm and non-farm) as well as social distancing norms reviving certain sectors (such as two-wheelers and small-to-mid sized passenger vehicles); rationalization in operating costs by corporates. Preliminary data for the third quarter indicated revival continued into the festival season, but there was occasional easing of momentum.

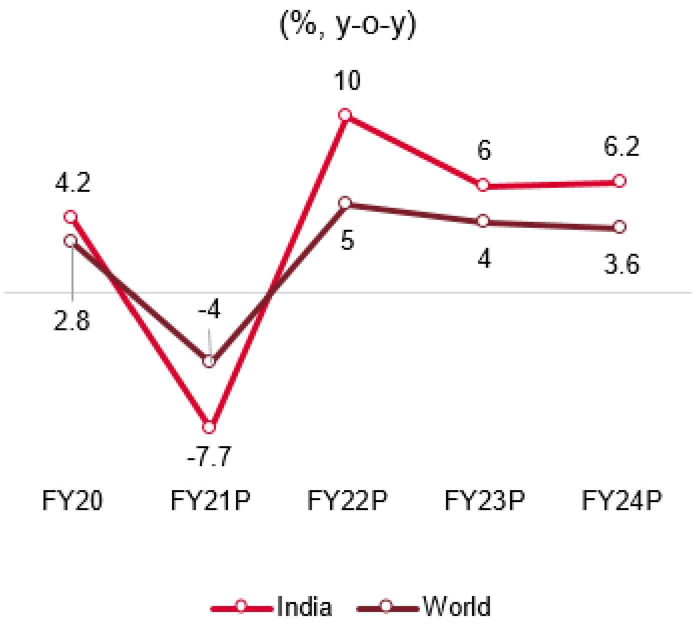
Fiscal policy support: It is expected that more support will be forthcoming as direct fiscal spending support by the government has been inadequate to stimulate demand. The government estimates the total support package announced by it (including monetary measures by the RBI) at over 15% of the GDP. Direct spending, however, is at around 2% of GDP.

India is now learning to live with the virus: This will help in case of a second wave. Despite COVID-19 cases rising exponentially from approximately 422 per million in the first quarter on average to approximately 4,213 per million in the second quarter, people mobility that measures economic revival, has been rising. Other than festival demand, fewer government restrictions, better recovery and loss of livelihoods have increased people mobility. This trend is expected to continue. In addition, there has been a consistent decline of daily new cases since mid-September providing an upside to our previous outlook of 9% contraction for the current fiscal. However, concerns of a second wave, as seen in the US and Europe and parts of East Asia, persist.

Key fiscal measures announced by the center to deal with the pandemic impact

In order to mitigate the pandemic's negative impact on the economy, the central government has announced ₹ 20.9 trillion package, amounting to 10% of the country's nominal GDP. The package is expected to revive growth in the short term, while also reviving long-term economic prospects.

In next 3 fiscals, India's growth to be greater than the global GDP

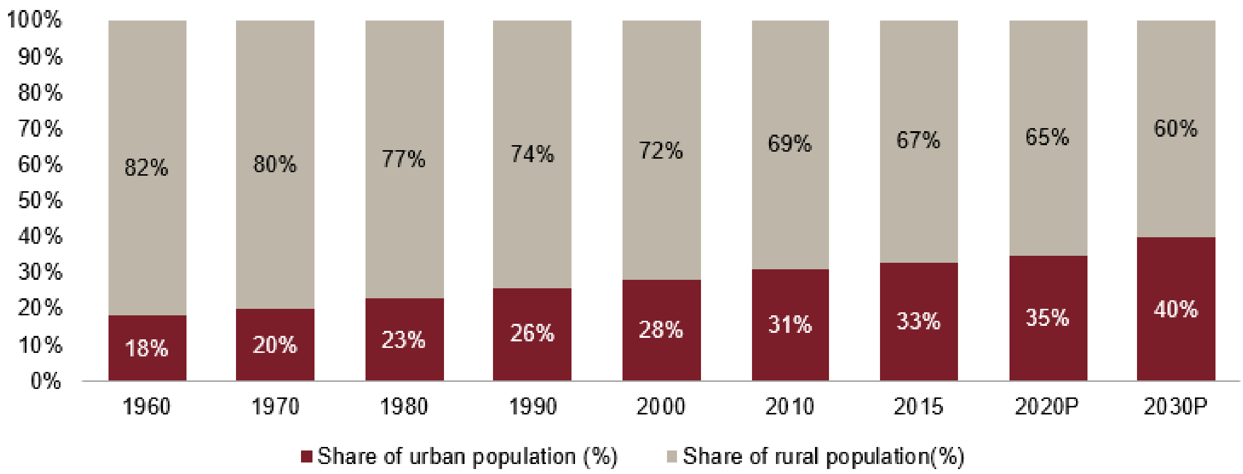


Note: Forecasts for World are for calendar year; Fiscal 2020 – Fiscal 2019 (projected)
Source: S&P Global Ratings, CRISIL

Urbanisation likely to reach 40% by 2030

The urban population in India has been rising over the years and was approximately 31% of the total population in 2010, and the United Nations has projected that nearly 40% of India's population will live in urban areas by 2030.

India's urban versus rural population



P: Projected; Source: World Urbanization Prospects: The 2018 Revision, United Nations, CRISIL Research

Trend in median ages across key countries

Country	1970	1990	2010	2015	2020P	2030P
Brazil	18.7	22.4	29.0	31.3	33.5	37.7
China	19.3	24.9	35.2	37	38.7	43.0
India	19.4	21.1	25.1	26.7	28.2	31.4
Russian Federation	30.8	33.4	38.0	38.7	39.6	42.6
UK	34.2	35.8	39.6	40.2	40.8	42.4
US	28.4	32.8	36.9	37.6	38.3	39.8
World	21.5	24.0	28.5	29.6	30.9	33.0

P: Projected

Source: UN population estimates, CRISIL Research

OVERVIEW OF INDIA'S MEDICAL DEVICE INDUSTRY

The medical device market varies greatly in complexity and application. According to industry estimates, there are 2 million different kinds of medical devices in the global market, categorized into more than 22,000 types of generic devices. Medical devices are critical to the delivery of healthcare for prevention, diagnosis and treatment of diseases. Availability and affordability of medical devices is important for healthcare delivery. A medical device can be any instrument, apparatus, equipment, appliance, machine, implant and reagent for in vitro use, software, material or other similar or related article, intended by the manufacturer to be used, alone or in combination, for a medical purpose.

Medical devices are used in many diverse settings; for instance, by laypersons at home, by paramedical staff and clinicians in remote clinics, by opticians and dentists, and by healthcare professionals in advanced medical facilities for prevention and screening and in palliative care. Health technologies are used to diagnose illness, to monitor treatments, to assist disabled people, and to intervene and treat illnesses, both acute and chronic. They are also used for screening, diagnostics and treatments, monitoring patients to enable timely diagnostics of any diseases. With the advancement of technology and introduction of economics healthcare solutions, quality healthcare is now available at effective cost.

In line with the global medical device market, the Indian market is also divided into four major categories.

Segments	Coverage
Consumables and disposables	Disposable plastic syringes, sutures, blood bags, IV fluid set, wound management, medical apparels, and others. Syringes and needles constitute the majority of the sales because of frequency of usage
Implants	Stents, artificial joints and other artificial body parts, and fixation devices, prosthetics, orthopedics, pacemaker, etc.
Medical equipment and instruments	MRI machines, CT scanners, ultrasound machines, dental X-ray machines, scintigraphy apparatus and other electro-diagnostic apparatus, and electro-cardiographs, blood pressure machine, dialysis machine
Diagnostics (reagents)	Medical equipment and reagents used for laboratory purposes, radiation, imaging parts,

Source: CRISIL Research

INDUSTRY STRUCTURE

Indian medical device industry is fragmented and largely comprises manufacturers of consumables

India's medical device market is highly fragmented. There are over 800 domestic medical device manufacturers in India, with an average revenue in the range of ₹350 million to ₹450 million. The industry was dominated by multinational companies (MNCs) in the 1980s and is gradually becoming a regulated sector. MNCs manufacturing in India include 3M Healthcare, Abbott, Baxter, Boston Scientific, B. Braun, Becton Dickinson, GE Healthcare, Johnson & Johnson, Medtronic, Nipro, Philips, Siemens Healthcare, Transasia, and Terumo.

In the 1990s, several Indian players entered the medical device market including Trivitron Healthcare, Sahajanand Medical Technologies, Poly Medicure, Relisys Medical Devices, Allengers Medical Systems (AMSL), and Agappe Diagnostics Limited. However, the regulatory environment was weak during the time and medical devices were still covered under the Drugs and Cosmetics (D&C) Act as drugs. Foreign players required only an import license to penetrate the Indian medical device market.

Timeline for Indian medical device industry

1980s	Dominated by large MNCs; India imported 85-90% of medical devices
1990s	Entry of Indian players; weak regulatory environment; medical devices covered under the D&C Act
2000s	Increase in number of Indian players and MNCs with liberalization
2014	The medical device sector was separate from the pharmaceutical sector, allowing 100% foreign direct investment (FDI) under the automatic route
2017	Medical Device Bill 2017 and medical device classification introduced

Source: CRISIL Research

Indian medical equipment indsutry dominated by foreign MNCs

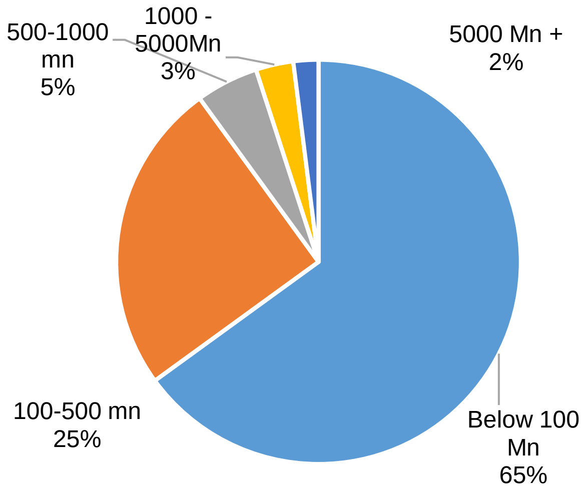
The Indian medical equipment industry is dominated by large MNCs, which have a market share of 30% to 40% in the consumables and disposables market and 60% to 70% market share in the equipment and devices market. MNCs have capacities outside and within India; however, most of them have large capacities outside India for major equipment, which they import to the Indian market.

The industry in value terms is dependent on imports with 70% to 80% of the demand being met though imports. Domestic manufacturers dominate the low-tech, disposable equipment and supplies segment of the industry. Around 65% of Indian manufacturers operate in the consumables segment and cater to domestic consumption with limited export revenue. Large MNCs lead the high-tech end of the medical device market with extensive service networks. Only a few Indian companies have moved to producing high-tech-driven products, leaving the high-tech segment majorly to foreign entities. Some domestic firms have expanded local manufacturing operations to produce cost-effective, medium-end medical devices. More advanced equipment in India is usually produced in joint ventures (JVs) with large European and US companies.

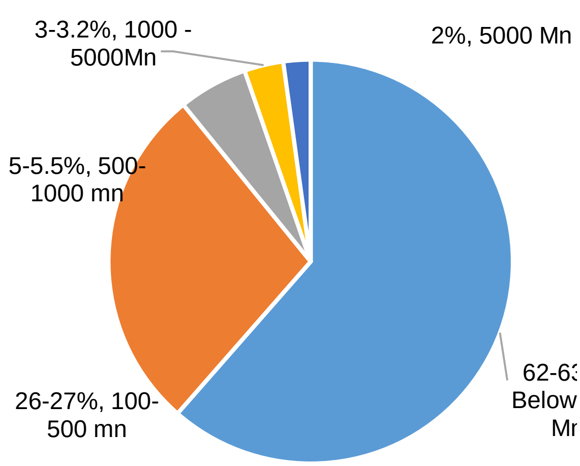
The Indian medical device manufacturing industry largely comprises consumables manufacturers, and is fragmented with 60% to 65% of the companies having an annual turnover of less than ₹100 million, and around 90% have turnover of less than ₹ 500 million. Majority of the manufacturers are in the low-tech space, catering to the consumables segment. Turnovers have grown at a CAGR of approximately 10% between Fiscals 2016 and 2020, and increasing towards the ₹100 million to ₹500 million range.

It is estimated that 62% to 63% of the companies in the industry recorded incomes below ₹100 million in 2020, compared to 65% in 2015. The share of players with income of ₹100 million to ₹500 million increased to 26% to 27% in 2020 from 25% in 2015, as the industry grew at a CAGR of 7% to 9% over the five year period. The share of players with revenue of more than ₹500 million is still lower at 12% to 15%, indicating that Indian players in the medical device industry are largely mid-size.

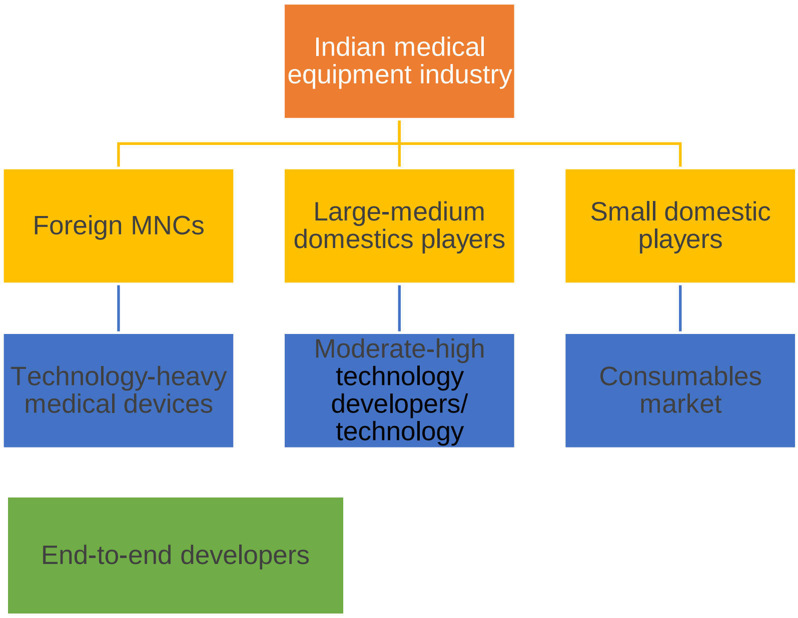
Fiscal 2015: Market dominated by players with revenue less than ₹ 100 million



Fiscal 2019: With increase in demand, share of players with revenue over ₹ 100 million rose



Note: Revenues are mentioned is ₹million.
Source: Draft National Health Policy 2015, Association of Indian Medical Device Industry (AIMED), CRISIL Research



India has very few end-to-end medical device developers

In India, international players are mostly involved in the distribution of medical technology products. They acquire a distributor in India and penetrate the consumption market. International companies also target Asia and neighboring markets, and set up facilities in India to cater to both domestic and Asian markets. They either set-up facilities of their own or acquire domestic manufacturers. Some players form JVs with domestic players to transfer technology while domestic manufactures carry out the production process. A few international players also establish their own manufacturing facilities to penetrate the Indian market – for instance, 3 M's manufacturing plant in Pune, Becton Dickinson's manufacturing facility in Haryana, Hollister's manufacturing facility in India, and Philips Medical Systems' acquisition of Medtronics and Alpha X-Ray Technologies. The Government of India has proposed medical technology parks, in addition to the existing parks, to encourage domestic manufacturing of medical equipment.

Few domestic players also manufacture medical devices in India. Major players in the Indian medical industry include Hindustan Syringes & Medical Devices, Poly Medicure, Skanray Technologies Opto Circuits (India), Wipro GE Healthcare, 3 M, Medtronic, Johnson & Johnson, Becton Dickinson, Abbott Vascular, Bausch & Lomb, Baxter, Zimmer India, Edwards Life Sciences, St. Jude Medical (Abbott), Smith & Nephew, Cochlear, Stryker, Baxter, Boston Scientific, BPL Healthcare India, Sushrut Surgicals, Trivitron Diagnostics, Accurex Biomedical, Biopore Surgicals, Endomed Technologies, HD Medical Services (India), Skanray Technologies, Eastern Medikit, Harsoria Healthcare, Nidhi Meditech System, Philips Medical, Wipro Technologies, HCL Technologies, and Texas Instruments.

MNC OEMs / technology providers	Phillips Healthcare, Siemens Healthcare, WIPRO GE Healthcare, Becton Dickinson
Suppliers to OEMs	BL Lifesciences, Johari Digital Healthcare Designs, Angioplasty, B&A Health
Indigenous manufacturers and technology innovators	Hindustan Syringes, Skanray Technologies, Ploy Medicure, Sushrut Surgicals, Trivitron Diagnostics, Sahajanand Medical Technologies
Importers	Entities of foreign OEMs in India, MSME domestic players and traders, etc

Source: CRISIL Research

Product development by Indian medical device companies

Company	Product	Key offerings
Perfint Healthcare	PIGA-CT	Low-cost, easy-to-use and minimally invasive outpatient device for cancer detection and therapy
Skanray	X-ray imaging systems	High-frequency digital X-rays with radiation leakage control Cost a fraction of imported equipment
Bigtec Labs	Micro polymerase chain reaction (PCR)	Miniaturised, no-frills and portable version of bulky PCR machine Costs ₹ 1 lakh, as against ₹15 lakh for conventional PCRs
MediVed	Pacemaker	Costs ₹ 20,000-25,000 below pacemakers produced by international companies
Poly Medicure	Dialyzer	First Indian company to manufacture dialyzers in India

Source: CRISIL Research

Growth of the medical devices industry has been limited due to many reasons, including: lack of favourable policy for foreign players to manufacture in India; medical device industry is dependent on engineering capabilities, innovation, material science and information technology, and is therefore capital intensive, limiting domestic companies' ability to compete with established foreigner players and imports; there is no cost advantage for domestic supply as large MNCs, with expertise in medical technology, export to India the high valued products with better product efficacy, and there is weak domestic supply of electronic components and key raw materials, limiting the price competitiveness of domestic players; local brands are not easily trusted for high-end use, as trust and quality assurance are built by players over years of operations and R&D investments.

Segments	Key players	Technology application
Consumables and disposables	Hindustan Syringes, Lotus Surgical, B Braun, Becton, Dickinson and Company, Poly Medicure	Low
Implants	Smith & Nephew, Narang Medical, Johnson & Johnson, Relisys Medical Devices	Medium-high
Medical equipment and instruments	GE Healthcare, Philips Healthcare, Danaher Corporation, Mectron India, Roche Diagnostics, Narang Medical, Skanray, Remi Laboratories	High
Diagnostics (reagents)	Abbott Laboratories, Becton, Dickinson and Company, Danaher Corporation	Low-medium (raw materials are key)

Source: CRISIL Research

Indian medical device players largely cater to single segment or product line

There are very few indigenous players that cater to multiple segments or products in the medical devices industry. MNC original equipment manufacturers (OEMs) or technology providers like Philips Healthcare, Meditronics and GE Healthcare mainly cater to multi-product segments.

60% to 70% of the Indian players in the Indian landscape cater to a single segment / product line. Even the consumables market is dominated by MNC players and imports. They mostly manufacture consumables such as syringes, needles, suturing materials, bandages and dressing, and medical utility devices under consumables such as catheters, IV cannulas, nasal oxygen cannulas, oxygen masks, ventilator circuits and mucus extractors.

The Indian medical equipment manufacturing industry is fragmented in both size and geography. The industry is spread over five major clusters: Gujarat, Haryana – Delhi, Andhra Pradesh – Telangana, Tamil Nadu and Karnataka. The government plans to develop medical devices parks in these clusters to create a large ecosystem of manufacturers, suppliers and technology players. With enhanced manufacturing capabilities and R&D, the sector will see improvement in quality and reduced dependence on imports.

Region	Players
North- Haryana & Delhi	Hindustan Syringes, Poly Medicure, BL Lifesciences, Becton, Dickinson and Company, Hollister, Stanford-India Biodesign program, Michael & Susan Dell Foundation
West – Gujarat	Envision Scientific, Invent, Bio-med, Sahajanand Medical Technologies
South – Tamil Nadu	Trivitron Healthcare, Opto Circuits, B Braun, Perfint Healthcare
South – Karnataka	Biocon, GE Medical, Skanray, Bigtec Labs

Source: CRISIL Research

There are six medical devices manufacturing clusters in the country and states have committed to set up dedicated industrial parks that will facilitate efficient domestic manufacturing at lower costs.

Review and outlook for medical devices industry in India

Indian medical device sector is estimated at ₹ 540 billion to ₹560 billion in Fiscal 2020

Indian medical devices sector, estimated at ₹ 540 billion to ₹ 560 billion in Fiscal 2020, comprises more than 14,000 different product types, ranging from wound closure pads to stents. The sector is highly fragmented and is predominantly import driven, with imports comprising 70% to 80% of the total market and sales of medical electronics, hospital equipment, surgical instruments, implants and diagnostic reagents. Consumables and disposables are primarily manufactured in India, with imports accounting for approximately 40% of the sales. Close to 800 to 1,000 domestic firms are primarily involved in manufacturing low-technology products. Indian firms engaged in this industry are typically small and medium-scale enterprises, manufacturing products such as disposable and medical supplies and competing in low-priced, high-volume segments. Indian Players like Hindustan Syringes and Poly Medicure hold a higher share of the consumables market than MNCs. Due to COVID-19 related medical requirements, manufacturing and demand for consumables and disposables have increased significantly.

Domestic industry has the potential to cater to domestic consumption by import substitution, but is constrained by challenges such as lack of supply chain for components, low R&D expenditure, lack of product experience and customer confidence in newer brands, and cash flow issues from public healthcare sector payments. A duty structure historically favouring import of finished goods than raw materials and components, has not allowed the domestic manufacturing industry to flourish among stiff competition. Also the medium and high end technology products are manufactured or marketed by large MNC companies, who have plants outside India and import their products for Indian market.

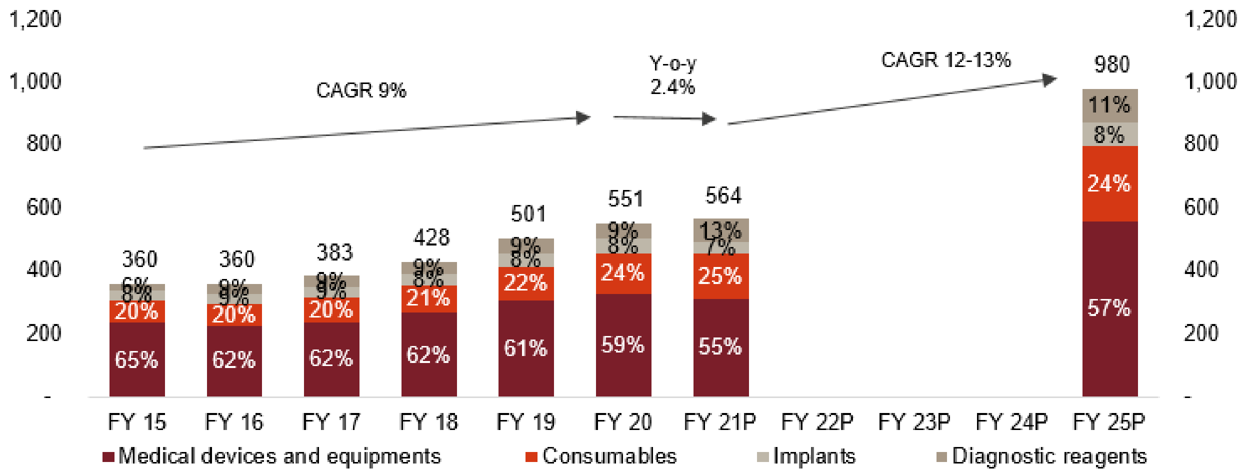
Medical devices industry grew at a CAGR of 9% between Fiscals 2016 and 2020 as public and private healthcare spending increased

The medical devices industry in India amounted to ₹ 980 billion in Fiscal 2020 from ₹ 360 billion in Fiscal 2016 at a CAGR of 9% driven by strong growth in the healthcare industry. The hospital healthcare industry grew at a CAGR of 14% during the period, driving growth for the medical devices and equipment industry. The medical devices industry grew because of increased spending on healthcare and expansion of healthcare facilities. Government spending on healthcare grew to 1.6% of the GDP in Fiscal 2020 from 1.4% of GDP in fiscal 2018, and PFCE healthcare spending grew at a CAGR of 12% from Fiscals 2015 to 2019 at current prices.

Medical consumables and disposables grew as Ayushmaan Bharat helped increase health service penetration in India, aiding to increase the medical procedure and treatments conducted in India. Increase in insurance penetration, medical treatments supported by the PMJAY Ayushmaan Bharat, and usage of technological and medical equipment in public as well private hospitals across rural and urban India also supported the medical devices industry.

Over Fiscals 2018 to 2020, growth in the industry was driven by the domestic healthcare industry and rise in exports from India, and by government schemes such as Ayushmaan Bharat, expansion of hospital and insurance facilities, and rise in government healthcare spending.

Trend in medical devices industry



Source: CRISIL Research

Medical devices industry to grow at a CAGR of 12% to 13% over Fiscals 2020-2025

The medical devices industry in India is expected to grow at a CAGR of 12% to 13% from Fiscals 2020 to 2025, compared to the global industry which is expected to grow at a CAGR of 5% to 6%, on account of increase in healthcare facilities and demand for healthcare services from the middle income group. The hospital industry is projected to grow at 13% to 15% over the period supporting demand for medical devices and consumables. Rise in per capita income, awareness about health diagnostics, healthcare spend, chronic and non-chronic diseases, and penetration of medical insurance will aid growth of the medical devices industry. The global medical consumables market size was valued at ₹ 430 billion in 2019 and is expected to grow at a CAGR of 5% to 6% from 2020 to 2024. The Indian medical device is 2.5% to 3.0% of the global medical devices market.

Medical consumables and disposables witness a significant rise in demand in the pandemic situation

Medical consumables and disposables segment is estimated at ₹ 125 billion to ₹ 135 million in Fiscal 2020, growing at a CAGR of 12% from Fiscal 2016 to Fiscal 2020. Consumables have a market share of 20% to 25%, making it the second largest segment in the medical devices market, and is expected to grow at a CAGR of 13% from Fiscal 2020 to Fiscal 2025, on account of increased usage of consumables and disposables for infection protection and rise in medical procedures and treatments with the penetration of healthcare facilities in India.

Implants segment to rise

With the increase in insurance penetration and healthcare facilities, the demand for health treatment and implants, which is estimated at ₹ 40 million to ₹ 45 million in Fiscal 2020, is expected to grow at 11% from Fiscal 2020 to Fiscal 2025. The implants segment comprises 8% of the overall medical devices industry in Fiscal 2020.

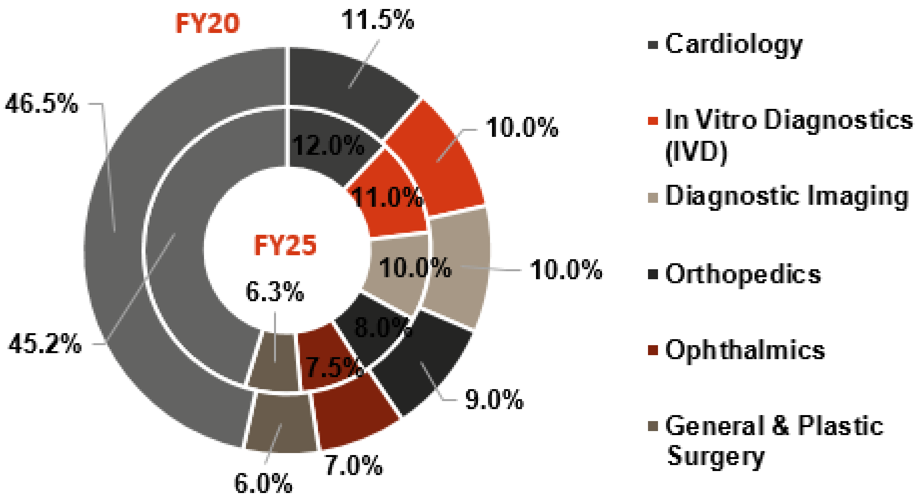
Diagnostics and reagent segments to grow

With the increase in diagnostic tests of COVID-19 and awareness of early detection of diseases, the demand for diagnostics and reagents, which is estimated at ₹ 50 million to ₹ 55 million in Fiscal 2020, is expected to grow at a CAGR of 16.5% from Fiscal 2020 to Fiscal 2025. This segment comprises approximately 9% of the overall medical devices industry in Fiscal 2020.

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

The pandemic has increased the demand for diagnostic tests and reagents and equipment such as ventilators and critical care units. Demand for consumables such as sanitisers, masks, PPE kits, sterilization products, have also increased. The sudden onset of the pandemic and closure of supply chain from China and key exporters of medical devices affected global healthcare services. Companies across industries participated in the supply of essential medical consumables and equipment to cater to increased domestic demand of medical devices and disposables. The consumables and diagnostics segment grew in Fiscal 2021 as demand grew. Other segments such as medical devices and implants saw a decline with the decrease in medical procedures conducted in hospitals and capital expenditure by hospitals. Overall the medical device industry is expected to grow marginally at 2.4% year-on-year in Fiscal 2021. Consumables also increased at 30% in Fiscal 2021, driven by pandemic related consumption on the back of suppressed demand for planned surgeries during first half of 2020.

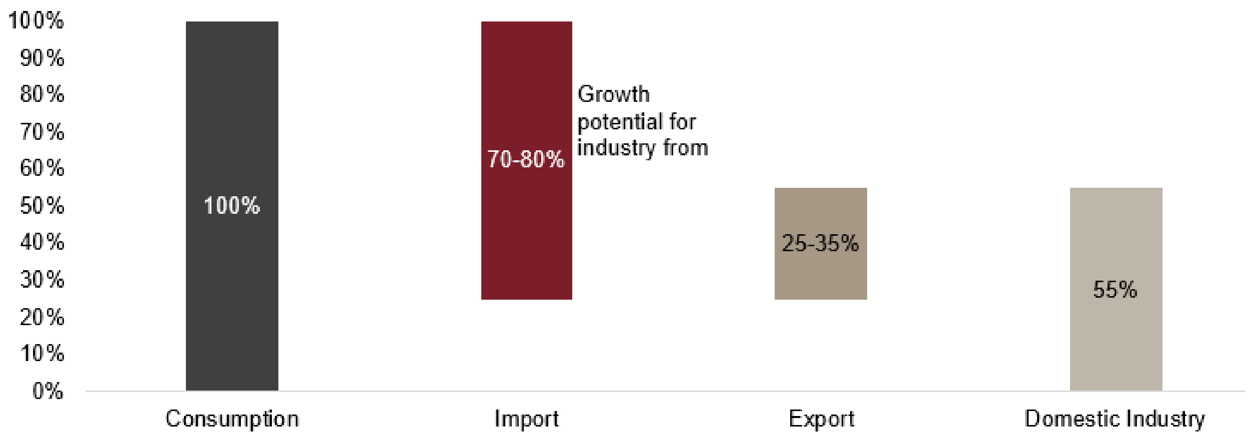
Cardiology, IVD, ophthalmic and surgery segments are expected to grow moderately faster than other segments in the medical devices industry:



Source: Industry Estimates, CRISIL Research

India's medical device consumption is highly dependent on imports

Import-export scenario



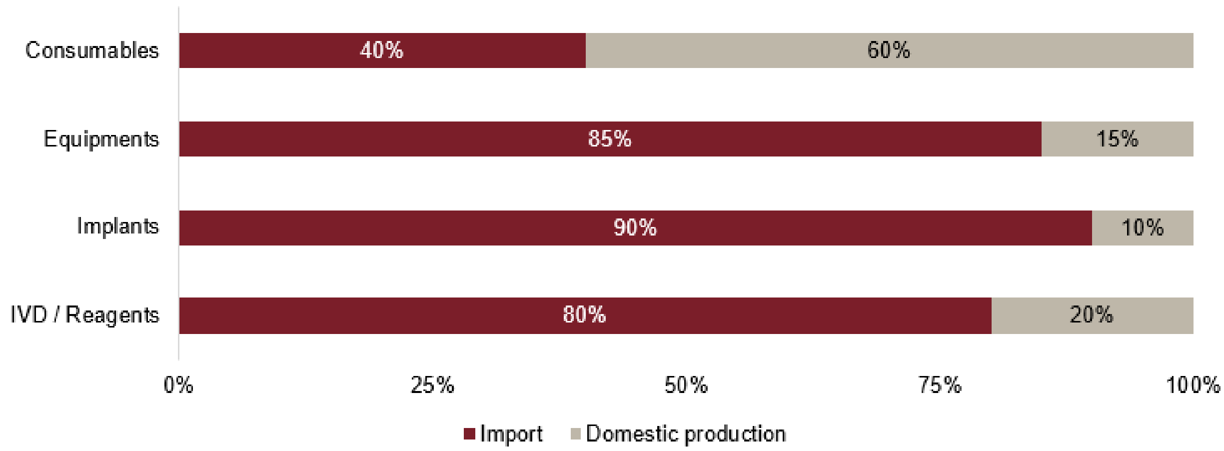
Source: CRISIL Research

Imports grew at a CAGR of 11% from Fiscals 2016 to Fiscal 2020

India imports 70% to 80% of its medical device demand, mainly for medical device equipment and instruments, and imports have been growing strongly over the past five years, from ₹ 270 billion in Fiscal 2016 to ₹ 410 billion in Fiscal 2020. However, imports reduced in 2020 due to restrictions on trade movement on account of the pandemic.

As both the cost of production and requirement for technological components is low, the consumables and disposable industry in India is only marginally dependent on imports. However, approximately 40% of the demand is met though imports. Import dependency is lower in surgical bandages, needles, and syringes and higher in consumables instruments and devices such as catheters and cannulas. High cost of research and development expenditure, high investment risk to set up a plant, limited supply chain availability for critical electronics components and raw materials, investments for testing, and approvals for medical devices have led to high imports for other segments.

Share of imports and domestic production in medical device consumption

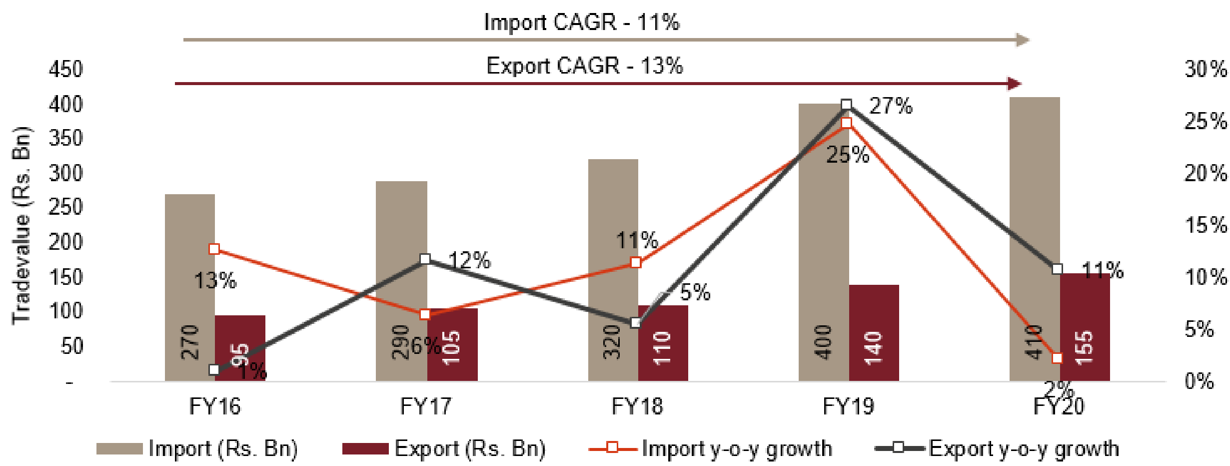


Source: CRISIL Research

Exports contribute to nearly 50% of production value

India has an established exports market for production of medical devices, with exports contributing to nearly 50% to 55% of the production industry size. Exports grew at a CAGR of 13% from ₹95 billion in Fiscal 2016 to ₹155 billion in Fiscal 2020. India has fairly concentrated exports, with top regions contributing to 90%, and exports majorly in the consumables segment. Europe has a higher share in exports of medical device and consumables from India with 35% share, followed by the United States with 17.8% share in Fiscal 2020.

Import-export trend for the medical device industry

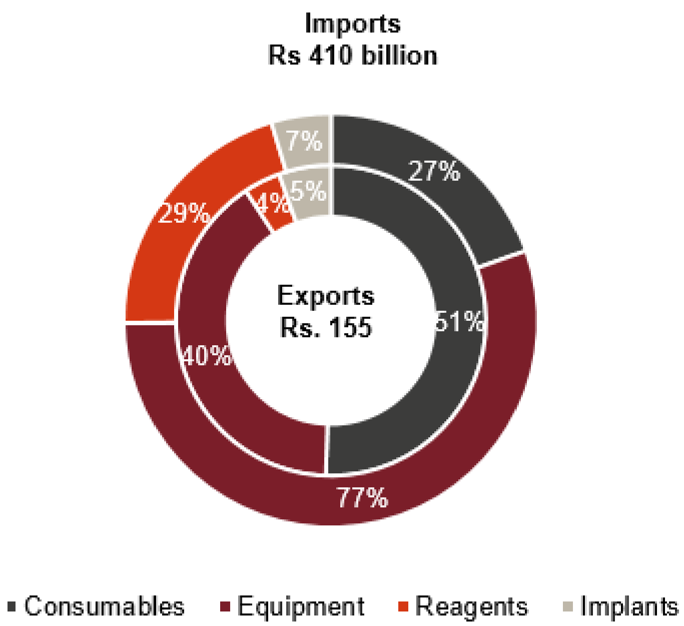


Source: DGFT, DGCIS, CRISIL Research

75% to 80% of imports is for medical equipment and instruments

Imports of medical equipment and instruments with high dependency on technology constitute a larger share of India's imports. India exports medical devices and equipment with low-to-moderate technology criticality. Consumables and low-tech medical devices are exported from India to the European region, the US, China, Africa, and neighboring countries in the Subcontinent.

Break-up for trade for key medical device segments



Source: DGCIS, CRISIL Research

GROWTH DRIVERS

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

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

Factors affecting the consumption market include: key government schemes and programmes under implementation/ announced (such as Ayushman Bharat, National Health Policy); increase in medical insurance penetration; large elderly population of 52 million (over 70 years) in 2020 which is expected to double in the next 15 years to 20 years; rising urbanization and adoption of sedentary lifestyles, fueling chronic diseases; increased public spending in healthcare and targets to achieve 2.5% of GDP by 2025 from 1.3% in Fiscal 2018.

Rising incidence of chronic diseases

The contribution of non-communicable diseases to the disease profile has risen from 30% in 1990 to 55% in 2016. There has been a gradual shift to and accelerated rise in the prevalence of chronic or lifestyle diseases such as cardiovascular disease, diabetes, chronic obstructive pulmonary disease, cancers, mental health disorders, and injuries. The epidemiology of chronic diseases varies widely among Indian states: 48% to 75% for non-communicable diseases, 14% to 43% for infectious and associated diseases, and 9% to 14% for injuries.

Per capita income grew at a CAGR of 5% from Fiscals 2012 to 2020

India's per capita income, a broad indicator of living standards, grew at a CAGR of approximately 5% between Fiscals 2012 and 2020, increasing from ₹ 63,462 in Fiscal 2012 to ₹ 94,954 in Fiscal 2020 (at constant prices). Growth in per capita income has been led by better job opportunities and overall GDP growth.

Rise in middle and higher income group

The World Bank estimates that the number of poor (defined as people living on or below the international poverty line of purchasing power parity $1.90 per day) in India has declined drastically, from 405 people million in 1981 to 175 million people in 2015, primarily attributable to improved macro-economic parameters such as GDP growth, employment rate and income equality, and adoption of employment and other public welfare schemes by the Government. Going forward, the World Bank projects the absolute number of poor in India to further reduce from 175 million people in 2015 to approximately 77 million people in 2020.

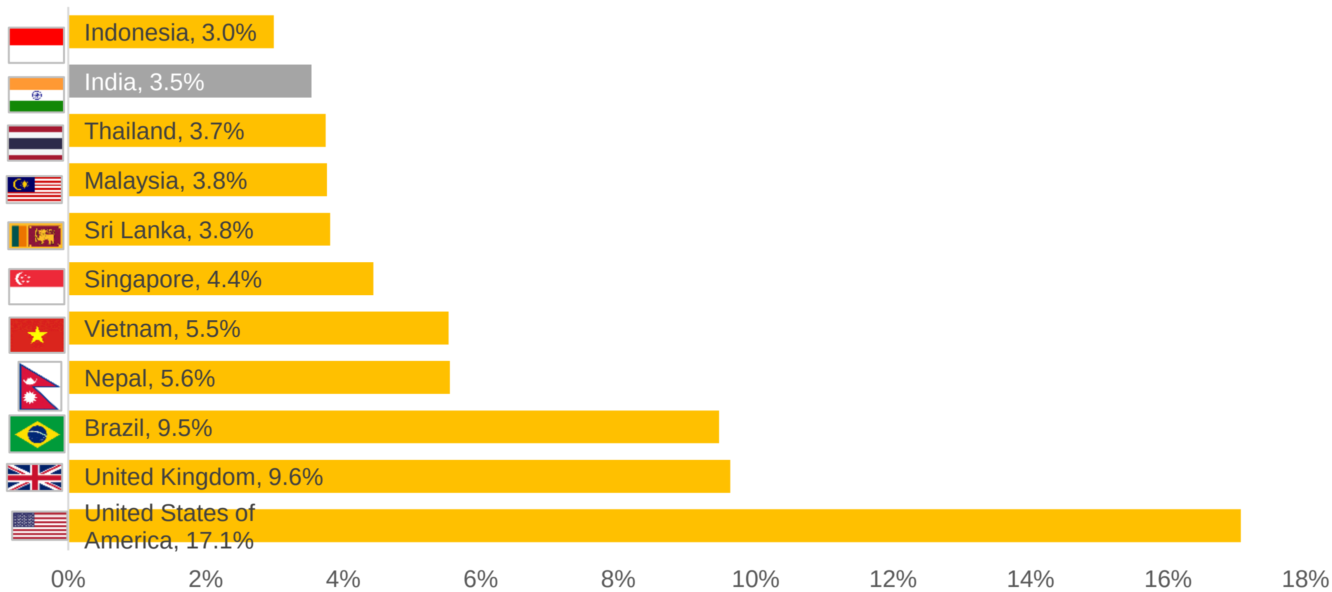
India will have higher demographic share in the 25 years to 44 years bracket by 2030

India's demographic profile has a relatively higher proportion of young as compared with its peer countries. As per the United Nations Population Division Report 2017, India's youth (population between the ages of 0-24 years) accounted for nearly half its population as of 2010, slightly above the global average of approximately 44.4%. At the same time, it has the highest share of citizens in the 25 year to 44 year age bracket; these tend to spend more on lifestyle and living, including healthcare. This age bracket is expected to comprise 30.8% of India's population by 2030. In the long run, India will remain a growing healthcare market as the share of the population in the higher age bracket, who have high probability of chronic diseases, increases.

Potential for healthcare expenditure

The structural demand in India and potential opportunity it provides for growth, continues to pose challenges for healthcare in India, including in the form of inadequate health infrastructure, unequal quality of services provided based on affordability, and healthcare financing.

Total healthcare expenditure as % of GDP (2017)



Source: Global Health Expenditure Database – World Health Organization, CRISIL Research

According to the Global Health Expenditure Database compiled by the World Health Organization (WHO), the current healthcare expenditure in India during Fiscal 2018 is estimated at approximately ₹ 4.6 trillion, significantly less that developed countries, such as the US and the United Kingdom, and also certain developing countries, such as Brazil, Nepal, Vietnam, Singapore, Sri Lanka, Malaysia, and Thailand in healthcare spending as a percentage of GDP as of 2017.

In India, the out-of-pocket (OOP) expenditure on health is nearly 62% of total health expenditure as of 2017 (highest among all the other countries compared above). In India, insurance cover does not cover out-patient treatments (only recently an insurance company has started covering OPD treatments under its health insurance), which makes OOP due to outpatients greater in comparison with inpatients treatments.

Nearly 68% of the rural population and 75% of the urban population use their household savings on healthcare-related expenditure. Health expenditure contributes to nearly 3.6% and 2.9% of rural and urban poverty, respectively. Annually, an estimated 60 to 80 million people fall into poverty due to healthcare-related expenditure. However, with Pradhan Mantri Jan Arogya Yojana (PMJAY), the affordability aspect of healthcare expenditure is expected to be taken care of to some degree, especially for the deprived population. Though it represents a challenge in healthcare financing, it also indicates substantial potential for those involved in provision of auxiliary healthcare services.

Rise in medical tourism in India

The presence of technologically advanced hospitals with specialised doctors and facilities such as e-medical visa, are making India an attractive destination for medical tourism.

CHALLENGES AND RISKS

The medical devices business faces certain challenges in India, most importantly being price control. The Government of India controls the prices of certain medical devices by either fixing a price at which they should be sold or by restricting the ability of the marketer to increase the price of the device by more than a prescribed percentage at any given time. The second challenge is the presence of multiple regulators that complicates routine tasks, such as the rectification of an erroneous declaration on the label. The third challenge is regulations that do not permit manufacturers and importers of medical devices to promote their product directly to customers as cures for certain prescribed conditions and illnesses.

Rapidly changing technology and R&D investment

The medical equipment industry is vulnerable to fast-changing technology and to remain competitive industry players need to continue to upgrade, which requires consistent investments, creating challenges for smaller players.

Regulatory intervention and price capping

The government recently capped prices of coronary stents and knee implants, and is planning to introduce price capping on other medical devices as well, limiting the prices of medical devices that are currently unregulated and sold at high prices.

Intense competition

The industry is highly fragmented. Domestic players face stiff competition among themselves as well as from MNCs. The competition is only expected to intensify with the entry of global firms like Phillips healthcare, Wipro GE Healthcare, Siemens Healthcare, Medtronic, Bayer Diagnostics and other MNC players.

Lack of protection for intellectual property (IP) rights

IP protection for new technology is critical for the success of global medical device companies or any technology companies investing in R&D. In the absence of effective IP laws, there is a greater apprehension in investing in R&D and manufacturing assets, thus limiting India’s manufacturing potential.

Quality certification is also important for domestic and international customers. The absence of a dedicated licensing authority reduces export or expansion opportunities as customers prefer established players and products. Currently, domestic manufacturers are required to acquire an FDA/CE certification to cater to medical device demand from a section of the market in India and other global countries. The approval process take a considerable amount of time and investment, which impacts the introduction of new medical devices in the market.

To address concerns around quality certification for medical devices, the Association of Indian Medical Device Industry (AIMED), in collaboration with the Quality Council of India (QCI) and the National Accreditation Board for Certification Bodies (NABCB), rolled out a voluntary quality certification scheme for medical devices.

Lack of a well-developed supply chain

Setting-up a manufacturing facility involves investments in plant and machinery and technology, as well as an effective component supply chain and infrastructure. Currently, a major challenge in most medical devices and electronics manufacturing industry is that a large part of components are imported and the components industry is concentrated in a few global markets, making it difficult to procure cost-effective components and maintain price competition at the end-product level.

Key issues that limit the growth of medical device manufacturing in India are: Indian healthcare is dominated by government hospitals that enjoy longer credit cycles from its suppliers impacting the financial structure of medical device companies and limiting the expansion of the industry; limited supply chain for electronics manufacturing in India, compelling dependency on imports for high – medium technology based medical device products including electronic medical devices; custom duty of 7.5% and health cess of 5% on select medical devices products levied since February 2020, in addition to IGST of 12.5% increases the total duty applicable on the product, making the product expensive for low-income groups; no capping of trade margins for certain medical electronics devices, make the prices of imported products very high.

This restricts volume growth in Indian medical devices. In 2017, the government capped MRPs of cardiac stents and knee implants, bringing their prices down by 60% to 80% for patients. However, while domestic manufacturers believed this would provide a level playing field for players, encouraging 'Make in India' production, foreign COMPANIES ALLEGED THIS WOULD BLOCK INNOVATIVE PRODUCTS IN THIS SPACE FROM CATERING TO INDIAN PATIENTS.

Assessment of Regulatory Framework for the Industry

Being an underpenetrated market and recently introduced supportive government policies and regulation, the Indian medical devices industry offers an increased opportunity. The Government is focusing on making India a hub for manufacturing for domestic consumption a well as exports, similar to the pharmaceuticals industry, and is introducing policies and regulations to support the medical device industry in this regard.

The Medical Devices and Diagnostics Division of the Central Drugs Standard Control Organisation (CDSCO) is the designated authority for medical device regulation. Prior to the implementation of new medical device rules in 2017, CDSCO was mainly focused on drugs and medical devices were not separately regulated in India. Medical Devices notified by the Government of India under the Drugs & Cosmetics Act, 1940, are regulated by CDSCO as 'drugs' under the provisions of the Drugs and Cosmetics Rules, 1945. The quality control over these devices is regulated through the system of registration and import licenses.

The Medical Device Rules, 2017 (MDR), was passed by the central government, after consultation with the Drugs Technical Advisory Board. The rule came into effect from January 1, 2018, to address the need for a medical device-specific legislation in India. The GoI also passed a new medical devices bill in February 2020 to amend the Medical Device Rules, 2017, to effectively govern all types of medical devices in India. The bill upgraded the existing medical devices regulation by expanding the list of products it applies to and helping create a supportive ecosystem for manufacturing, research and innovation.

ASSESSMENT OF THE GLOBAL MEDICAL DEVICE INDUSTRY

Overview of the global medical device industry and value chain

Sale of medical equipment and their service form a major part of the medical equipment industry, and the types of medical devices range from highly complex equipment such as diagnostic equipment to simple ones such as bandages. The broad classification of medical devices can be given as follows:

Categorization of medical devices

Surgical and Medical Equipment	Devices used in surgery such as scissors and dental drillers
Disposable Equipment	Basic hospital supplies such as bandages and gloves
Therapeutics	Devices such as cardiac pacemakers, ventilators and infusion pumps
Diagnostic Equipment	Devices such as MRI and CT scanners

Globally, the medical device industry is highly regulated among developed nations such as the US, the European Union (EU) and Japan. However, the regulatory environment in developed nations is at a nascent stage, being driven by recent trends such as urbanization, change in lifestyle and advancement in technology.

MARKET SIZE REVIEW AND OUTLOOK

Global medical device industry grew at CAGR of 4.7% over Fiscals 2015 to Fiscal 2019

The global medical device industry reported a CAGR of 4.7% from $371 billion in Fiscal 2015 to $459 billion in Fiscal 2019, and is estimated to be valued at $429 billion in Fiscal 2020, due to the pandemic.

Expected growth at a CAGR of 5% to 6% during Fiscal 2019 to Fiscal 2024

CRISIL Research estimates the size of the global medical device industry to be $575-585 billion in 2024, expanding at a CAGR of 5–6%, supported by a rising ageing population, an increase in the burden from non-communicable diseases (such as cardiovascular diseases, diabetes and cancer), rise in healthcare spending, and faster growth of healthcare spending in the developing and middle income groups. Other growth drivers are introduction of new technologies, increased security for healthcare data, and increase in disposable income and rising number of sedentary lifestyle-based disease cases. Development in rural healthcare systems owing to technological advancements has also revived growth in Asia and Africa.

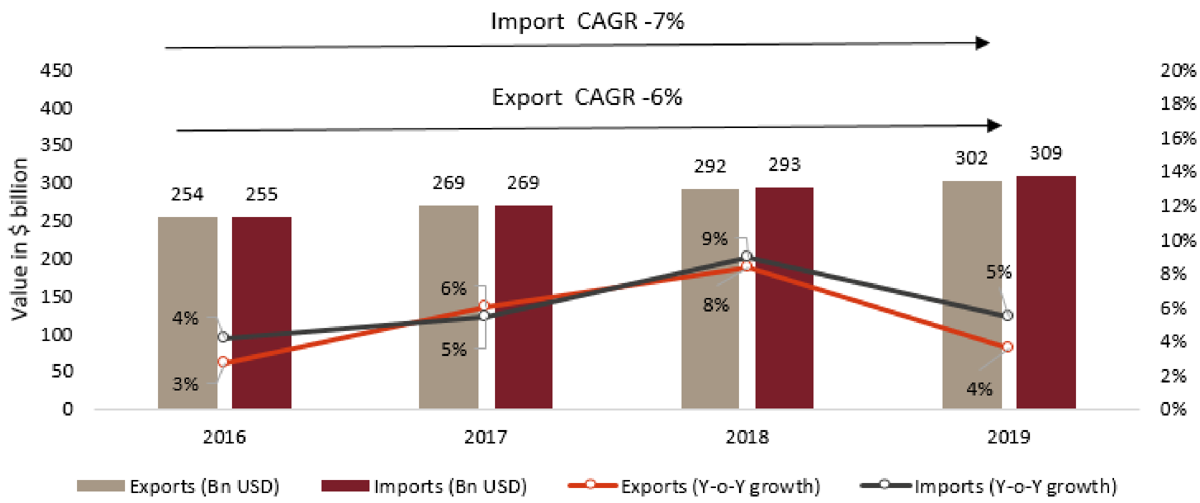
The US headquartered companies dominate the medical device industry

Majority of medical device sales occur in the US, followed by Europe region. North America has a 43% to 44% market share in the total medical devices industry with Europe, and the Middle East accounts for 22% to 25% during Fiscal 2015 to Fiscal 2019. The share of Asia-Pacific increased to 21% in 2019 from 19% in 2016. Latin America and Africa's share rose from 12% in 2016 to 13% in 2019.

MNCs in medical device industry spend around 7% to 9% of revenues on R&D expenditure

The R&D expense of the top 20 MNCs for global medical device industry has grown at a CAGR of 6.5% from USD 24 billion in 2015 to USD 31 billion in 2019. The top 20 players spend nearly 7% to 9% of their revenues on R&D. R&D expenditure is critical in the medical device industry with constant need for upgrading technology and improving efficacy and efficiency in performance of medical equipment. R&D expenditure have certain inherent risks associated on account of substantial size of investments required for healthcare sector R&D and operational issues such as failures to obtain regulatory approvals for conducting clinical trials, failure of clinical trials, delays or failures for obtaining required market clearances, and inability to achieve commercial sales point. In the year 2020, R&D expenditure will experience delays due to focus on COVID-19 related investments and expenses and delay in medical procedures and delays in conduction of trials. Medical device investments can be capital intensive and require extensive manufacturing expertise.

TRADE SCENARIOS



Values of import and export are slightly difference due to re-import and re-export figures. Source: International Trade Centre, CRISIL Research.

The global import-export trade of medical devices increased from $255 billion in 2016 to $300-310 billion in 2019 at a CAGR of 7%.

REVIEW OF DEMAND DRIVERS FOR GLOBAL MARKET

Increase in burden from non-communicable diseases. Increase in number of people with NCDs provides a major opportunity for the medical devices market.

Rising ageing population. According to a UN report, the above 65-year population is expected to increase from 703 million in 2019 to 1.5 billion in 2050.

Urbanization. According to the UN World Urbanization Prospects (2018), the urban population across the world increased sharply, from 751 million in 1950 to 4.5 billion in 2018. In 2018, approximately 55% of the world's population resided in urban areas, which according to the UN would increase to 68% by 2050.

CHALLENGES AND KEY RISK FACTORS

Regulatory compliance. Regulatory guidelines ensure compliance of quality and safety standards by medical devices. However, there is no standard medical device regulatory template followed globally. Countries have their own regulatory authorities and device-approval mechanisms, making it challenging for medical equipment manufacturers to have global footprints to monitor new compliance changes across countries they intend to market.

Data security issues. With the introduction of industry 4.0, the medical device industry is moving towards internet-of-things (IoT). However, technology-dependent medical devices pose a challenge for manufacturers, with the main concern being collection, storage and management of sensitive information of/ from customers.

Cost of product development and R&D. The medical device industry is ever-evolving and faces intense competition, making R&D investments towards the improvement of existing devices/ introduction of new medical devices a key monitorable.

Decline in young population. According to the UN World Fertility and Family Planning Report (2020), the total fertility rate has fallen such that nearly 50% of the global population is residing in countries where lifetime fertility rates are below 2.1 births per woman. This presents a challenge for the global medical device industry, as it would hinder overall population growth over the long term.

Evolution of new technologies, products and their impact on the industry

3D printing. This technology offers wider advantages across the medical device industry, especially for orthopaedic and cranial implants, dental restorations, prosthetics and various instruments used for surgeries. 3D printing can reduce the number of steps involved in the process and components, thus reducing the overall manufacturing cost. Although the adoption of 3D printing is in early stages across segments, it would be implemented widely with an increase in efficiency, leading to early adopters reaping higher benefits.

IoT. The need for connected devices that can effectively monitor chronic diseases and healthcare systems that can remotely track patients' health is increasing with changing demographics. Technological advancements enable early detection and continuous monitoring of health issues through connected devices and also from the data collected using them.

Wearable devices. Wearable devices track and record health and fitness activities of the users. To counter lifestyle related chronic-diseases, national healthcare systems are emphasising on regular health check-ups, thus increasing the need for routine monitoring of critical health irregularities. COVID-19 has also increased awareness on healthcare monitoring. All these factors make wearable devices a vital part in the medical device industry.

Artificial intelligence. The AI-associated healthcare market has grown in the past few years. AI-enabled medical devices can process patient data, generate required solutions, and identify and rectify mistakes more efficiently, which, in turn, improves the overall process. Major AI applications in this field would be the customisation of medical dosages, interpretation of magnetic resonance images, and so on.

Recent investments and funding in global medical device market

Recent initial public offering (IPO)

Key financials	Incorporated year	Company headquarters	Brief overview
2020	Outset medical	278	Nasdaq
2020	Genetron holdings	256	Nasdaq
2020	Progenity	100	Nasdaq

Key financials	Incorporated year	Company headquarters	Brief overview
2020	Burning Rock Biotech	223	Nasdaq
2020	Inari medical	156	Nasdaq
2019	Medacta group	588	Six Swiss exchange
2019	Adaptive biotechnologies	345	Nasdaq
2019	Shock wave medical	111	Nasdaq
2019	Silk Road Medical	120	Nasdaq
2019	Transmedics	105	Nasdaq
2019	Sequana Medical	32	Euronext
2019	Innotherapy	8	Korean exchange
2019	Next science	25	Australian securities exchange

Source: News articles, CRISIL Research

Competitive landscape in India

Below is a comparison of key players in the medical device industry, based on data obtained from publicly available sources, including annual reports and investor presentations, regulatory filings, rating rationales, and/ or company websites.

Key players in the Indian medical device market

Key business areas	Consumables	Implants	Medical equipment	Diagnostics and reagent
Agappe Diagnostics Ltd	✗	✗	✓	✓
Allengers Medical Systems Ltd	✗	✗	✓	✗
Ascent Meditech Ltd	✓	✗	✗	✗
BPL Medical Technologies Pvt Ltd	✓	✗	✓	✓
Hindustan Syringes and Medical Devices Limited	✓	✗	✗	✗
Philips India Ltd	✗	✗	✓	✗
Poly Medicure Ltd	✓	✗	✗	✗
Prognosys Medical Systems Pvt Ltd	✗	✗	✓	✗
Relisys Medical Devices Ltd	✗	✓	✗	✗
Sahajanand Medical Technologies Pvt Ltd	✗	✓	✗	✗
Siemens Healthcare Private Ltd	✓	✗	✓	✓
Skanray Technologies	✗	✗	✓	✗
Trivitron Healthcare Private Ltd	✗	✗	✓	✗
Transasia Bio-Medicals Limited	✗	✗	✓	✓
Healthium Medtech	✓	✗	✗	✗
Becton Dickinson	✓	✗	✓	✓
B. Braun Medical India	✓	✓	✗	✗
Smith & Nephew Healthcare	✓	✗	✓	✗

Source: Company Annual Reports, CRISIL Research

KEY OBSERVATIONS

- Among the peers considered, Philips India Limited has recorded highest operating income in Fiscal 2019, followed by Siemens Healthcare Private Limited, with revenue of ₹28,700 million.
- Siemens Healthcare Private Limited has shown highest compounded annual growth of 165% over the period from Fiscals 2016 to 2019 on low base, as the Indian entity was formed in the year 2015. Sahajanand Medical Technologies Private Limited registered second highest growth in operating profits with a CAGR of 48% between Fiscals 2016 to 2019.

- Poly Medicure Limited stands among top 5 players listed above in terms of operating income, next to Philips India Limited and Siemens Healthcare Private Limited and among the top 2 Indian players with revenue. The growth of Poly Medicare Limited is moderate in CAGR terms over past 3 years among the peers considered.

- In terms of operating income and its respective growth (Fiscal 2016 to Fiscal 2019) in CAGR terms, Skanray Technologies Private Limited stands in the lower end in comparison to its peers considered

- Considering OPBDIT among the player listed above, Poly Medicare ranks four next to Philips India Limited, Siemens Healthcare Private Limited and Transasia Biomedical.

- In terms of PAT, in consideration to companies mentioned above, Philips India stands at top (₹ 1,910 million) followed by Siemens Healthcare (₹ 1,440 million), Transasia Bio-Medicals ₹ 2,082 million) and Poly Medicare.

- Among the players listed above, Poly Medicure stands among the top five in terms of profitability margin performance.

Key financial ratios of major Indian listed and unlisted medical device manufactures

Operating profit margin of major players from Fiscal 2016 to Fiscal 2019

- Compared to peers, Poly Medicure Limited ranks among top three in terms of operating margin, after Relisys Medical Devices Limited and Transasia Bio-medical which have operating margins of approximately 39.5% and 37.6%, respectively.

- Poly Medicure Limited, stands fourth among peers in terms of net profit margin, after Relisys Medical Devices Limited, Transasia Bio-medical and Sahajanand Medical Technologies Private Limited.
- In terms of interest coverage, Allengers Medical systems Limited has the highest followed by Philips India Limited.

- Poly Medicure is among the top exporter in India for medical device industry in in consumables product segment.

BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 17 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "**Risk Factors**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition**" on pages 32 and 70, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Consolidated Financial Statements, Unaudited Interim Condensed Consolidated Financial Statements and Statement of Unaudited Financial Results included in this Placement Document. For further information, see "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 204 and 68, respectively.*

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Poly Medicure Limited on a standalone basis, while any reference to "we", "us", "our" or "Group" is a reference to Poly Medicure Limited on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Market Assessment of the Medical Device Industry in India" dated January 2021 (the "**CRISIL Report**") prepared and released by CRISIL Research, a division of CRISIL Limited, and commissioned by us and other publicly available information. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

We are among the top five companies in the medical devices industry in India, in terms of operating income and profitability margin performance, in Fiscal 2019 (*Source: CRISIL Report*). We manufacture and supply, in India and internationally, a diverse portfolio of medical devices in the product verticals of infusion therapy, oncology, anesthesia and respiratory care, urology, gastroenterology, blood management and blood collection, surgery and wound drainage, dialysis, central venous access catheters, veterinary medical devices, and others. As of December 31, 2020, we had over 130 SKUs of disposable medical devices.

Over the years, we have developed an extensive sales and distribution network across India. As of December 31, 2020, our distribution network with a pan-India presence included over 260 distributors. We believe we have developed long-term relationships with a majority of our distributors. Our sales division is also involved in promotion of our products in over 5,000 private and government hospitals and nursing homes across India, as on December 31, 2020. In the nine months ended December 31, 2020, we supplied our products to over 110 countries, in Europe, Africa, Americas, Australia, and Asia through a network of over 260 distributors in these jurisdictions. In Fiscal 2020 and in the nine months ended December 31, 2020, revenue generated from sales outside India represented 72.61% and 70.39% of our revenue from operations, respectively.

We have been recognized as the "India Medical Devices Company of the Year" in the 4th India Medical Device Awards, by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government on India, as the top exporter of plastic medical disposables/ surgical items (including syringes) for the years 2018-2019 and also for the previous four consecutive years, by the Plastics Export Promotion Council, sponsored by the Ministry of Commerce and Industry, Department of Commerce, the Government of India, as being one of the "Top 25 Innovative Companies", as part of the "CII Industrial Innovation Awards 2019" by the Confederation of Indian Industries, and have also received the "Forbes Asia Best under a Billion" award in 2020 as the region's top 200 small and midsized companies.

We focus on research and development ("**R&D**") for developing more effective, safe to use, and more user-friendly products. Our R&D activities are also aimed at improving existing processes and production cost efficiency and developing processes for environmental friendly products. We operate one in-house R&D facility at Faridabad (Haryana) ("**R&D Center**"), which has been approved by the Department of Scientific and Industrial

Research, Ministry of Science and Technology, Government of India ("**DSIR**"). Based on the efforts of our R&D division, as of December 31, 2020, we have been granted over 300 patents globally and have also filed for grant of over 150 patents in India and worldwide. We have also developed a number of safety medical devices across product lines, including Safety I.V. cannula and safety scalp vein sets within the infusion therapy vertical, safety blood collection sets within the blood collection vertical and safety fistula needles within the dialysis vertical.

We currently operate eight manufacturing facilities across India, China, Egypt and Italy. In India, we operate five manufacturing facilities, three of which are situated at Faridabad (Haryana), and one each in Jaipur (Rajasthan) and Haridwar (Uttarakhand). In addition, we are in the process of expanding the manufacturing capacities at our facilities situated in Faridabad (Haryana) and Jaipur (Rajasthan). We also propose to set-up two new manufacturing facilities in Faridabad (Haryana) in the coming years. Our Indian manufacturing facilities have been accredited with several international quality certifications. All our manufacturing facilities in India have been accredited with the EC certificates for quality assurance systems and EN ISO 13485:2016 certifications. Further, our Faridabad Facility-I, Faridabad Facility-II and Haridwar Facility, have also been accredited with management system certificates for compliance with ISO 9001:2015. For further information, see " ***– Manufacturing Facilities***" on page 126.

We also operate one manufacturing facility in China through our wholly-owned subsidiary Poly Medicure (Liayang) Company Limited that is certified to be compliant with Korea Good Manufacturing Practices by the Korea Food and Drug Administration, Ministry of Food and Drug Safety, and has been accredited with a EC certificate for quality assurance system and EN ISO 13485:2016 for its quality management system. In addition, we operate one manufacturing facility in Assuit, Egypt, through our associate Ultra for Medical Products that is also accredited with EC certificates or quality assurance system. We also operate one manufacturing facility in Italy through our step-down subsidiary Plan 1 Health S.R.L., which is accredited with EC certification for quality assurance system and EN 13485:2016 for its quality management system by DEKRA Certification B.V. Netherlands. For further information, see " ***– Manufacturing Facilities***" on page 126.

Our Company is led by Mr. Himanshu Baid, our Managing Director and Mr. Rishi Baid, our Joint Managing Director, each have over two decades of experience in the medical devices industry and are first generation entrepreneurs.

In Fiscals 2018, 2019, 2020 and in the nine months ended December 31, 2020, our revenue from operations were ₹ 5,216.78 million, ₹ 6,108.25 million, ₹ 6,872.39 million and ₹ 5,735.11 million, respectively, and our profit after tax, were ₹ 705.94 million, ₹ 653.99 million, ₹ 958.80 million, and ₹ 970.28 million, respectively, during such period. We have been able to increase our total revenue from operations from Fiscal 2018 to Fiscal 2020 at a compound annual growth rate ("**CAGR**") of 14.78%, our profit before tax at a CAGR of 13.90%, and our profit after tax at a CAGR of 16.54%, over the same period.

On account of the COVID-19 pandemic, the Government of India had announced a nationwide lockdown on March 24, 2020. Our manufacturing facilities in India were therefore operating with limited capacity in April 2020 and May 2020. However, since our operations were determined to be operating in an essential industry, we were allowed to resume operations in a phased manner and by June 2020 all our facilities started operations, subject to certain adjustments in working patterns and limited workforce. For further information on the impact of COVID-19 on our operations, see "***Management's Discussions and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Impact of COVID-19 Pandemic***" on page 73, and "***Risk Factors – We expect the COVID-19 pandemic to continue to materially affect our financial performance in future periods and it may otherwise have material adverse effects on our results of operations, financial condition, and/or our cash flows***." on page 36.

Our Strengths

Strong research and development capabilities

We have strong in-house R&D capabilities enabling us to develop an innovative and diversified product offering, and improve process efficiencies. With respect to product development capabilities, our R&D efforts are focused on developing new products within our key product verticals and core offerings, as well as introducing products to enter into new product verticals. Regarding our process development capabilities, our R&D activities are focused on further improving existing processes and production cost efficiency. In Fiscals 2018, 2019, 2020 and in the nine months ended December 31, 2020, our R&D expenses represented 1.93%, 1.66%, 1.74% and 1.63% of our revenue from operations for the respective periods. We focus on automation and on introducing new technologies to develop efficient process for manufacturing products with consistent quality control. For further information on our automation efforts, see " *– **Manufacturing Process***" on page 129. We have in recent years launched several new products on the back of our R&D initiatives, including VTM and VLTM kits, dialyzers, dialysis machines, N 95 masks, and pre-filled syringes. Our Company is also the first Indian company to manufacture dialyzers in India (*Source: CRISIL Report*).

As a result of our intensive R&D activities, as of December 31, 2020, we have been granted over 300 patents and have also filed for grant of over 150 patents in India and worldwide, including in the United States of America, Europe and the United Kingdom, South Africa, Russia, China and Australia. We operate one R&D Center in Faridabad (Haryana) with a team of over 50 personnel, including over 30 engineers, as of December 31, 2020. Our R&D Center is approved by the DSIR and is equipped to undertake rapid prototyping using 3D printers, process validation and customization of products. As a recognition of our R&D capabilities, we have received the "Indian Medical Devices Company of the Year" award in the 4th India Medical Device Awards, by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, the Government on India", and been recognized as being one of the "Top 25 Innovative Companies", as part of the "CII Industrial Innovation Awards 2019" by the Confederation of Indian Industries.

One of the leading Indian companies in the disposable medical devices industry with a diversified product portfolio

We are among the top five companies in the medical devices industry in India, in terms of operating income and profitability margin performance, in Fiscal 2019 (*Source: CRISIL Report*). We also hold a higher share of the consumables market than multi-national corporations (*Source: CRISIL Report*). As of December 31, 2020, our product portfolio comprised over 130 SKUs of medical devices in product verticals of infusion therapy, oncology, anesthesia and respiratory care, urology, gastroenterology, blood management and blood collection, surgery and wound drainage, dialysis, central venous access catheters, veterinary medical devices, and others. Infusion therapy is our key product vertical, and sale of infusion therapy products represented 70.10% and 62.74% of our revenue from operations, in Fiscal 2020 and in the nine months ended December 31, 2020, respectively. We are the first Indian company to manufacture dialyzers in India (*Source: CRISIL Report*). We compete on the basis of quality and innovation for our infusion products, and on the basis of product offering and quality for our transfusion products.

Our wide range of offerings enables us to cross-sell our products, thereby increasing our market share across product verticals. Manufacturing a wide range of products also enables us to generate pricing advantages, which has strengthened our relationship with our primary customers, hospitals and clinics. We have also developed a number of safety medical devices across product lines, including Safety I.V. cannula and Safety scalp vein sets within the infusion therapy vertical, Safety blood collection sets within the blood collection vertical and Safety fistula needles within the dialysis vertical. With our existing product offering of safety medical devices in various product lines and our increasing focus on developing such products in the future, we believe we are well-positioned to benefit from increasing public investment in healthcare and growing demand for quality healthcare.

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

Robust manufacturing capabilities with a focus on automation

We currently operate eight manufacturing facilities established in India, China, Egypt and Italy. We operate five manufacturing facilities in India, three of which are situated at Faridabad (Haryana), one at Jaipur (Rajasthan) and one at Haridwar (Uttarakhand), which cater to the domestic markets as well as international markets across Europe, Africa, South America, Australia, and Asia. In addition, our associate Ultra for Medical Products, operates a manufacturing facility in Assuit, Egypt for disposable medical devices. We also have a manufacturing facility in China, operated by our wholly-owned subsidiary, and a manufacturing facility in Italy, operated by our step-down subsidiary. The manufacturing facilities in China, Egypt and Italy cater to local and international markets for disposable medical devices.

Our manufacturing capabilities are vertically integrated with design and development being carried out in-house. Our capabilities include injection molding, extrusion, insert molding, blow molding, ultrasonic welding, UV bonding and laser welding. Our manufacturing processes are automated with use of robotics and certain other technologies that have developed and are programmed in-house. For instance, our assembly machines are equipped with automated arms, which are designed and programmed for specific assembly functions that may be deployed for various product variants. Our manufacturing equipment is also supported by 'Servo' systems that enable precise machine movements that improves accuracy in our processes and limits generation of scrap. As part of our quality control operations, we have deployed advanced vision systems to identify manufacturing anomalies in products that are then separated from the assembly line by the automated arm. As part of our automation efforts, we have equipped our machines with color sensors and internet ports to ensure greater accuracy, and easier intervention for operational control. We believe that our vertically integrated facilities and the application of robotics enable us to derive certain operational and cost advantages. We employ highly experienced and skilled workforce at our manufacturing facilities which include over 200 engineers, as of December 31, 2020.

Our manufacturing facilities have been accredited with several international quality certifications. All our Indian manufacturing facilities have been accredited with EC certificates for quality assurance systems and EN ISO 13485:2016 certificates. Further, our Faridabad Facility-I, Faridabad Facility-II, and Haridwar Facility, have also been accredited with management system certificates for compliance with ISO 9001:2015. Our manufacturing facilities in China, Italy and Egypt have also been accredited with various certifications. For further information, see " **– *Manufacturing Facilities***" on page 126. We believe that we enjoy a competitive advantage due to our robust manufacturing capabilities that enable us to manufacture quality products for supply in Indian and international markets.

Wide geographic reach through our extensive sales and distribution network and strong customer relationships

We have consistently expanded our distribution network over the years and in Fiscals 2018, 2019, 2020 and the nine months ended December 31, 2020. In the nine months ended December 31, 2020, we supplied our products to over 110 countries, in Europe, Africa, Americas, Australia, and Asia through a network of over 260 distributors in these jurisdictions. We have been recognized as the top exporter of plastic medical disposables/ surgical items (including syringes) for 2018-2019 and also for the previous four consecutive years, by the Plastics Export Promotion Council, sponsored by the Ministry of Commerce and Industry, Department of Commerce, the Government of India. In Fiscal 2020 and in the nine months ended December 31, 2020, revenue generated from sales outside India represented 72.61% and 70.39% of our revenue from operations, respectively. All our sales outside India are carried out through our network of distributors.

We also have an extensive sales and distribution network in India, which enables us to have a wide market base. As of December 31, 2020, our distribution network in India included over 260 distributors. We believe we have built long-term relationships with our network of third party distributors that we directly engage with. For many of our distributors, we offer local or regional exclusivity, which grants these distributors an area in which they are the only authorized distributors of our medical devices, subject to certain conditions.

In addition to our distribution network, our sales division comprising 225 employees, as of December 31, 2020, is involved in the promotion of our products in over 5,000 private and government hospitals and nursing homes, including by conducting continuing medical education programs in several hospitals. We have formed relationships with the hospitals we cater to, as a result of our consistent efforts to provide quality service.

Experienced management team and skilled employee base

Our business operations are led by an experienced and qualified management team. Our Promoter Directors, Mr. Himanshu Baid and Mr. Rishi Baid are qualified engineers and each have over 20 years of experience in the medical devices business. We believe that our Promoters' skills, experience and industry relationships have been instrumental to our growth thus far, and will continue to drive our future growth.

In addition, we are led by a senior executives with extensive experience in the medical devices manufacturing industry, including in operations, business development, quality assurance and human resource management. Our key senior executives include Kim Schelbe, a medical professional driving our operations in the United States; Alessando Balboni, a medical professional driving our operations in Europe; Professor Sergio Bertoglio, professor of medicine and our Chief Medical Officer; Teo Wen Ching, director of our South East Asia operations; and Xue Wendong, responsible for our operations in China.

Our management and technical personnel are supported by other skilled workers who benefit from regular training initiatives. Our personnel policies are aimed towards recruiting talented individuals, facilitating their integration and promoting the development of their skills. We believe that our qualified and experienced management and technical teams provide us significant competitive advantage and enable us to function effectively and efficiently.

Our Strategies

Transition to a solution provider business model

We commenced operations as a manufacturer of disposable medical devices and based on our competitively priced products, have grown to be a value partner for our customer base that comprises hospitals, clinicians, and distributors. We now intend to transition to a solution provider, in order to become a preferred partner for our customer base. As a solution provider, we aim to engage closely with hospitals and clinicians to introduce value-added products/ solutions to address concerns of hospital acquired infections, needle-stick injuries, and fluid management challenges. For instance, we propose to undertake periodic audits of intensive care units and operation theaters at hospitals, to identify and examine the causes of hospital acquired infections, and propose alternate devices that may help contain the spread of such infections, or result in elimination of such infections altogether. We initially intend to focus on fluid management products as part of infection control solutions.

In order to achieve this, we intend to leverage on our existing relationships with hospitals and clinicians to introduce a more diverse range of solution-oriented products. We are also in the process of on-boarding medical professionals such as clinical consultants and doctors, for deeper engagement with hospitals and clinicians, for our solution-oriented products. We believe that by deploying personnel with medical expertise, we will be well-positioned to work closely with our customer base to develop solutions more suited to address their concerns.

Enhance our manufacturing capabilities and expand our product portfolio to leverage industry growth drivers

The medical devices industry is expected to grow at a CAGR of 12.00% to 13.00% from Fiscal 2020 to Fiscal 2025 on account of increase in healthcare facilities and demand for healthcare services from the middle income group. An increase in per capita income, along with greater awareness about health diagnostics, healthcare spend, chronic and non-chronic diseases, and penetration of medical insurance are key factors expected to aid growth of the medical devices industry. The global medical consumables market size was valued at ₹ 430.00 billion in 2019 and is expected to grow at a CAGR of 5.00% to 6.00% from 2020 to 2024. The Indian medical device is 2.50% to 3.00% of the global medical devices market. With the Government of India’s focus on policy framework and ecosystem support, and the increase in demand of healthcare services in India, the Indian medical device industry is expected to grow at a faster pace than global industry, which is expected to grow at a CAGR of 5.00% to 6.00% between Fiscal 2020 and Fiscal 2025. While demand-side factors include rising income level and healthcare expenditure, ageing population, increased occurrence of chronic and lifestyle disease, and increased awareness about healthcare diagnostics and prevention, demand for quality healthcare, increase in health insurance; it is the Government’s focus on ‘Make in India’, industry-supportive policies and schemes, potential for import substitution, and shift from geographic concentration of imports from the supply side. Regulation of product pricing and the Government’s focus on providing cost effective healthcare service in India are expected to lead to higher demand for cost-effective products which will generate demand for locally manufactured products that are distributed at competitive prices. (*Source: CRISIL Report*)

In order to capitalize on growth opportunities in this sector, we seek to invest in physical and operational infrastructure to expand our manufacturing capabilities with a focus on diversifying our product portfolio. To achieve this, we are in the process of completing capacity addition works at our Faridabad Facility-III and our Jaipur Facility. In addition to continued capacity addition at our existing facilities, we also propose to set up two new manufacturing facilities at Faridabad (Haryana) in the coming years. One of the key objectives for enhancing our manufacturing capabilities is to expand our product offering by introducing new products in existing as well new product verticals, with a focus on fluid management within non-communicable diseases segment, including oncology, nephrology and cardiology. We seek to further leverage the expected increase in demand for quality healthcare by increasing our focus on developing, manufacturing and marketing safety medical devices across product verticals.

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

Continue to focus on research and development to enhance innovation

We intend to continue our initiatives in R&D, with a focus on development of new products in order to foray into new product verticals as well as to expand our product offering in existing product verticals and further improve existing processes and production cost efficiency. We expect to make substantial investments in R&D across product verticals, particularly focusing on fluid management within non-communicable diseases segment, including oncology, nephrology and cardiology. We also seek to enter into partnerships and collaborations with premier institutions in order strengthen our R&D and product development capabilities. Through our R&D efforts, we also propose to minimize process wastage and develop environmentally friendly products by using biodegradable materials.

Our R&D efforts also form a key component of our transition into a solution-provider business model. We intend to continue to recruit medical professionals with clinical expertise to enhance our product offerings and customize our offerings to suit the needs of hospitals and clinicians with which we have long-term relationships. In order to achieve this, we seek to invest in developing specific product lines, beginning with infection reduction devices used for vascular access and fluid management.

Increase market share in domestic and international markets

We seek to increase our overall domestic market share by undertaking extensive marketing and brand promotion activities, including by increasing the strength of our sales team and by conducting continuing medical education programmes in a larger number of hospitals. We also intend to expand our distribution network in Tier 2 and Tier 3 cities in India to pursue growth opportunities in those regions. In addition, we believe that growth in the Indian medical devices industry will primarily be driven by locally sourced products, such as ours, and we intend to capitalize on the growth opportunities to increase our overall domestic market share.

In order to increase our presence in international markets, we intend to increase our geographical penetration in the American, European, and Asian markets by effectively leveraging our distribution network, including by adding new distributors in certain markets. In particular, we intend to focus on the market in the United States and in order to enter this market, we are in the process of setting-up a branch office of our Company and establishing a team of sales and engagement personnel. We have recently on-boarded an industry specialist in the United States, in order to engage with hospital chains and clinicians in the United States as well as to identify and forge relationships with local distribution partners in key markets. We are also in the process of identifying relevant products that have a healthy demand in those markets and intend to obtain relevant approvals to enable us to commence distribution effectively. In order to generate larger volumes of business from Europe, we propose to introduce certain differentiated products in those regions and establish a physical presence in key markets. For instance, we intend to set-up a representative office in the United Kingdom to efficiently market and distribute our products in the region. We are also in the process of obtaining product registrations for sale of new products in our key geographies. We also intend to increasingly partner with entities in Europe to gain access to key markets and technologies that could be deployed at our manufacturing processes for enhanced operational efficiency.

Expansion through strategic initiatives

As a part of our growth strategy, we believe that strategic investments and acquisitions of businesses engaged in the medical devices industry may act as an enabler of growing our business. We may also pursue selected strategic alliances, including joint ventures, and potential strategic acquisitions, particularly in developed markets, which will complement our business and operations, including opportunities to acquire technology and know-how. We believe that our efforts at diversifying into new product verticals or into new domestic or international markets can be facilitated by investing in similar business opportunities or making acquisitions of existing businesses with manufacturing facilities, market share or growth potential, whose operations, resources, capabilities and strategies are complementary to our Company. While we have presently not identified any strategic investment or acquisition opportunities, we seek to enter into any such acquisition on an opportunistic basis.

Business Operations

We develop, manufacture and market a wide variety of medical devices. In the nine months ended December 31, 2020, we supplied our products to over 110 countries, in Europe, Africa, Americas, Australia, and Asia through a network of over 260 distributors in these jurisdictions. We manufacture and supply our products based on orders and forecasts received from our domestic and international distributors, who in turn place orders and provide forecasts based on the inventory levels that they maintain.

Our Product Portfolio

As of December 31, 2020, our product portfolio comprises over 130 SKUs of medical devices which are broadly divided into 11 product verticals. Set forth below is certain information on our product-wise revenue from operations for the periods indicated:

Product	Fiscal						Nine Months ended December 31,	
	2018		2019		2020		2020	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Infusion Therapy	3,643.86	71.64%	4,053.93	68.59%	4,526.90	67.64%	3,439.06	60.85%
Oncology					285.80	4.27%	188.85	3.34%
Anesthesia and Respiratory Care	183.90	3.62%	197.73	3.35%	229.18	3.42%	237.98	4.21%
Urology	201.38	3.96%	234.94	3.98%	255.17	3.81%	184.00	3.26%
Gastroenterology	34.17	0.67%	41.90	0.71%	43.86	0.66%	39.40	0.70%
Blood Management and Blood Collection	449.10	8.83%	652.37	11.04%	546.38	8.16%	313.95	5.56%
Surgery and Wound Drainage	247.82	4.87%	275.27	4.66%	289.45	4.32%	204.37	3.62%
Dialysis	98.84	1.94%	122.45	2.07%	257.20	3.84%	325.95	5.77%
Central Venous Access Catheters	113.26	2.23%	119.64	2.02%	128.24	1.92%	112.74	1.99%
Others	110.92	2.18%	209.52	3.55%	127.94	1.91%	602.07	10.65%
Veterinary Medical Devices	2.87	0.06%	2.33	0.04%	2.51	0.04%	2.88	0.05%
Total	**5086.12**	**100%**	**5910.09**	**100%**	**6692.12**	**100%**	**5651.25**	**100%**

Brief details of the products manufactured under each product vertical are set forth below.

Infusion Therapy

The products manufactured under this product vertical include Safety intravenous (I.V.) cannula, I.V. cannula, quick flashback I.V. cannula, needle free systems, three way stopcocks, I.V. infusion sets, I.V. flow regulators, extension lines, central venous pressure (CVP) manometer and Safety scalp vein sets.

Oncology

The products manufacturing under this product vertical include health ports, pain fusers, and health – peripherally inserted central catheter.

Anesthesia and Respiratory Care

The products manufactured under this product vertical include oxygen catheters, suction catheters, guedel airways, respiratory exerciser, nasal oxygen tubes, oxygen masks, aerosol therapy masks, fixed concentration masks, endotracheal tubes, tracheostomy tubes, spinal needles and catheter mount.

Urology

The products manufactured under this product vertical include urine collection bags, measured volume urine meter, urine drainage catheters, transurethral resection (TUR) sets, Foley balloon catheters and irrigation sets.

Gastroenterology

The products manufactured under this product vertical include Ryle's tubes, Levin's tubes, infant feeding tubes, mucus extractors, umbilical catheter and feeding bag.

Blood Management and Blood Collection

The products manufactured under this product vertical include blood administration sets, blood bag systems, blood collection tubes and needles and Safety blood collection sets.

Surgery and Wound Drainage

The products manufactured under this product vertical include redon drains, thoracic drainage catheters, abdominal drainage sets, under water seal drainage systems and Yankauer suction sets.

Dialysis

The products manufactured under this product vertical include fistula needles, Safety fistula needles, blood lines, haemodialysis catheter and peritoneal dialysis transfusion set.

Central Venous Access Catheters

We produce single, double and triple lumen central venous catheters under this product vertical.

Veterinary medical devices

As of December 31, 2020, our product offerings under veterinary care comprises five SKUs of veterinary medical devices, which include large bore infusion sets with coiled tubing, stomach tubes, endoscope flushing catheters and vet I.V. infusion sets.

Others

In addition to the products manufactured under each of these verticals, we also manufacture insulin syringes, umbilical cord clamps, sputum collectors and dry brushes.

Manufacturing Facilities

We operate eight manufacturing facilities across India, China, Egypt and Italy. In India, we operate five facilities, three of which are located in Faridabad, Haryana, and one each in Jaipur, Rajasthan and Haridwar, Uttarakhand.

In addition, we operate one manufacturing facility in China through our wholly-owned subsidiary, one manufacturing facility in Egypt through our associate entity, and one manufacturing facility in Italy through our step-down subsidiary. All of our manufacturing facilities are supported by infrastructure for injection molding, extrusion, insert molding, blow molding, ultrasonic welding, UV bonding and laser welding. In addition, our manufacturing facilities include effluent treatment plants, which treat our industrial wastewater and recycle it for reuse or for safe external disposal.

India

*Faridabad, Haryana – I ("**Faridabad Facility-I**")*

The first manufacturing facility at Faridabad in Haryana is located at Plot No.104-105, HSIIDC Industrial Area, Sector-59, Ballabgarh, Faridabad-121 004, Haryana and commenced operations in Fiscal 1997.

The Faridabad Facility-I has received the following certifications that are valid and subsisting as of the date of this Placement Document:

S. No.	Certification	Issuing Authority
1.	EN ISO 13485:2016	TÜV SÜD Product Service GmbH, Ridlerstraße 65, 80339, Munich, Germany
2.	ISO 9001: 2015	DNV GL – Business Assurance ROMA, No 10, GST Road Alandur, Chennai
3.	EC Certificate	TÜV SÜD Product Service GmbH, Ridlerstraße 65, 80339, Munich, Germany

*Faridabad, Haryana – II ("**Faridabad Facility-II**")*

The second manufacturing facility at Faridabad in Haryana is located at Plot No.115-116, HSIIDC Industrial Area, Sector-59, Ballabgarh, Faridabad-121 004, Haryana and commenced operations in Fiscal 2004.

The Faridabad Facility-II has received the following certifications that are valid and subsisting as of the date of this Placement Document:

S. No.	Certification	Issuing Authority
1.	EN ISO 13485:2016	TÜV SÜD Product Service GmbH, Ridlerstraße 65, 80339, Munich, Germany
2.	ISO 9001: 2015	DNV GL – Business Assurance ROMA, No 10, GST Road Alandur, Chennai
3.	EC Certificate	TÜV SÜD Product Service GmbH, Ridlerstraße 65, 80339, Munich, Germany

*Faridabad, Haryana – III ("**Faridabad Facility-III**")*

The third manufacturing facility at Faridabad in Haryana is located at Plot No.34, Sector-68, IMT, Faridabad-121 004, Haryana.

The Faridabad Facility-III has received the following certifications that are valid and subsisting as on the date of this Placement Document:

S. No.	Certification	Issuing Authority
1.	EN ISO 13485:2016	TÜV SÜD Product Service GmbH, Ridlerstraße 65, 80339, Munich, Germany
2.	EC Certificate	TÜV SÜD Product Service GmbH, Ridlerstraße 65, 80339, Munich, Germany

*Haridwar, Uttarakhand ("**Haridwar Facility**")*

The manufacturing facility at Haridwar in Uttarakhand is located at Plot No. 17, Sector-3, I.I.E. Sidcul, Haridwar-249403, Uttarakhand.

The Haridwar Facility has received the following certifications that are valid and subsisting as on the date of this Placement Document:

S. No.	Certification	Issuing Authority
1.	EN ISO 13485:2016	TÜV SÜD Product Service GmbH, Ridlerstraße 65, 80339, Munich, Germany
2.	ISO 9001: 2015	DNV GL – Business Assurance ROMA, No 10, GST Road Alandur, Chennai
3.	EC Certificate	TÜV SÜD Product Service GmbH, Ridlerstraße 65, 80339, Munich, Germany

*Jaipur, Rajasthan ("**Jaipur Facility**")*

The manufacturing facility at Jaipur in Rajasthan is located at Plot No. PA 010-018 & PA 010-019, Mahindra World City (Jaipur) Limited Multi Product SEZ, Village-Kalwara, Tehsil-Sanganer, Jaipur, Rajasthan, and commenced operations in Fiscal 2015.

The Jaipur Facility has received the following certifications that are valid and subsisting as on the date of this Placement Document:

S. No.	Certification	Issuing Authority
1.	EN ISO 13485:2016	TÜV SÜD Product Service GmbH, Ridlerstraße 65, 80339, Munich, Germany
2.	EC Certificate	TÜV SÜD Product Service GmbH, Ridlerstraße 65, 80339, Munich, Germany

*Laiyang-Qingdao, China ("**China Facility**")*

We operate our manufacturing facility in Laiyang-Qingdao, China, through Poly Medicure (Laiyang) Company Limited, our wholly owned subsidiary. This manufacturing facility is located at Area A, Heshan Road, Laiyang Economical Development District, Laiyang, Shandong, China, and commenced operations in Fiscal 2010.

The China Facility has received the following certifications that are valid and subsisting as on the date of this Placement Document:

S. No.	Certification	Issuing Authority
1.	Korea Good Manufacturing Practices	Korea Food and Drug Administration, Ministry of Food and Drug Safety
2.	EC Certificate	TÜV Rheinland LGA Products GmbH
3.	EN ISO 13485:2016	TÜV Rheinland LGA Products GmbH

*Solari, Italy (“**Italy Facility**”)*

We operate our manufacturing facility in Solari, Italy, through Plan 1 Health S.R.L., our step-down subsidiary. This manufacturing facility is located at Amaro (UD) Via Fratelli Solari 5 Cap 33020.

The Italy Facility has received the following certifications that are valid and subsisting as on the date of this Placement Document:

S. No.	Certification	Issuing Authority
	EC Certificate	DEKRA Certification B.V.
	EN ISO 13485:2016	DEKRA Certification B.V.

*Assuit, Egypt (“**Egypt Facility**”)*

We hold a 23% equity interest in Ultra for Medical Products, in Egypt, that operates a manufacturing facility in Assuit, Egypt for disposable medical devices. This manufacturing facility is located at 64, NakhlaE1 Motei Street-Triumph-Heliopolis-Cairo, Egypt, and commenced operations in Fiscal 2004.

The Egypt Facility has received the following certifications that are valid and subsisting as on the date of this Placement Document:

S. No.	Certification	Issuing Authority
	EC Certificate	SGS United Kingdom Limited

Third-Party Manufacturing Facility

In addition to the products manufactured at our manufacturing facilities, we also outsource the manufacturing of some of our medical devices and their components to Vitromed Healthcare, on a job work basis. Under the terms of this arrangement, Vitromed Healthcare manufactures products in accordance with specifications set out by us based on raw materials provided by us. In Fiscal 2020, job work charges paid to Vitromed Healthcare represented 7.21% of our total revenue.

Capacity and Capacity Utilization

The following table sets forth certain information relating to our capacity utilization of all our manufacturing facilities, calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

Location	Installed Production Capacity and Capacity Utilization as at and for the year ended (in million units)(1) (2) (3) (4)								
	March 31, 2018			March 31, 2019			March 31, 2020		
	Installed Capacity(1)	Actual Production(2)	% Utilization(3)	Installed Capacity(1)	Actual Production(2)	% Utilization(3)	Installed Capacity(1)	Actual Production(2)	% Utilization(3)
Faridabad Facility-I	160.00	137.74	86.00%	170.00	147.90	87.00%	180.00	156.57	87.00%
Faridabad Facility-II	310.00	280.26	90.00%	330.00	294.07	89.00%	380.00	331.38	87.00%
Faridabad Facility-III	15.00	0.03	0.22%	20.00	1.02	5.09%	25.00	12.93	52.00%
Jaipur Facility	100.00	74.86	75.00%	110.00	67.96	62.00%	115.00	75.64	66.00%
Haridwar Facility	65.00	57.47	88.00%	70.00	62.65	89.00%	100.00	90.49	90.00%
China Facility	160.00	115.00	71.88%	180.00	135.00	75.00%	185.00	139.50	75.41%

Location	Installed Production Capacity and Capacity Utilization as at and for the year ended (in million units)(1) (2) (3) (4)								
	March 31, 2018			March 31, 2019			March 31, 2020		
	Installed Capacity(1)	Actual Production(2)	% Utilization(3)	Installed Capacity(1)	Actual Production(2)	% Utilization(3)	Installed Capacity(1)	Actual Production(2)	% Utilization(3)
Italy Facility	-	-	-	0.35	0.23	65.71%	0.04	0.28	70.00%
Egypt Facility	0.90	0.68	75.56%	1.00	0.75	75.00%	1.05	0.79	75.24%
Total	**810.90**	**666.04**	**82.13%**	**881.35**	**709.58**	**80.51%**	**986.45**	**807.58**	**81.87%**

#As certified by H.R. Sharma & Associates, Chartered Engineer, by certificate dated February 1, 2021.

(1) The information relating to the installed production capacity of our manufacturing facilities as of the dates mentioned, as included above and elsewhere in this Placement Document are based on various assumptions and estimates that have been taken into account by the Chartered Engineers for calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of the medical device industry after examining the calculations and explanations provided by us based on plant and machinery and other ancillary equipment installed at the facilities. The assumptions and estimates taken into account include the following: (i) Number of working days in a year – 304; (ii) Number of days in a month – 25; (iii) Number of shifts in a day – 2; (iv) Number of hours per shift – 8.

(2) The information relating to the actual production at our manufacturing facilities for the fiscal/period ended as included above and elsewhere in this Placement Document are based on the examination of the SAP/ internal production records provided by us, calculations and explanations provided to the Chartered Engineers, including with respect to the period during which the manufacturing facilities operate in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

(3) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate annual installed production capacity of relevant manufacturing facilities as of at the end of the relevant period.

(4) Actual production levels and utilization rates may vary from the capacity information of our manufacturing facilities included in this Placement Document and undue reliance should not be placed on such information. See "Risk Factors – Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Placement Document are based on various assumptions and estimates and future production and capacity may vary." on page 52.

Manufacturing Process

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

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

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

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

Manufacturing Technology and Automation

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

Procurement of Raw Materials

The primary raw materials used by our Company in the manufacturing of disposable medical devices are plastic granules, PVC (polyvinyl chloride) compounds, fibre and stainless steel tubes. Our total cost of raw materials (including packaging materials consumed) in Fiscals 2018, 2019, 2020 and in the nine months ended December 31, 2020, amounted to ₹ 1,711.20 million, ₹ 1,949.20 million, ₹ 2,252.20 million, and ₹ 1,900.02 million, respectively, and represented 31.92%, 30.98%, 31.91% and 32.46%, of our total revenue in these periods, respectively.

We procure all these raw materials from third party domestic and international suppliers on a spot purchase basis. While we do not have any long-term contracts with any of our raw material suppliers, we believe we have maintained a long-term relationship with each of these major suppliers.

Research and Development

We rely on our R&D operations to keep pace with our technological developments and to remain competitive in the market. We operate the R&D Centre at Faridabad, Haryana which is approved by DSIR. Our R&D efforts are primarily focused on developing new products within our existing product verticals as well as introduce products to enter into new product verticals, particularly focusing on fluid management within non-communicable diseases segment, including oncology, nephrology and cardiology, and further improving existing processes and production cost efficiency. As a result of our intensive R&D activities, as of December 31, 2020, we have been granted over 300 patents and have also filed for grant of over 150 patents in India and worldwide, including in the United States of America, Europe and the United Kingdom, South Africa, Russia, China and Australia.

Our R&D Center is equipped to undertake rapid prototyping using 3D printers, process validation and customization of products. Through our R&D initiatives, we also seek to minimize process wastage and develop environmentally friendly products by using biodegradable materials.

As of December 31, 2020, our R&D team comprised 35 engineers and 10 clinical consultants, and is headed by Nitin Jain, General Manager.

Sales and Distribution Network

In the nine months ended December 31, 2020, we supplied our products to over 110 countries, in Europe, Africa, Americas, Australia, and Asia through a network of over 260 distributors in these jurisdictions. In Fiscal 2020 and in the nine months ended December 31, 2020, revenue generated from sales outside India represented 72.61% and 70.39% of our revenue from operations, respectively. For many of our distributors, we offer local or regional exclusivity, which grants these distributors an area in which they are the only authorized distributors of our medical devices, subject to certain conditions.

We also have a country-wide sales and distribution network in India which enables us to have a wide market base. As of December 31, 2020, our distribution network included over 250 personnel in our sales and marketing teams, comprising product and clinically trained graduates, as well as supply chain management personnel. Our sales division is involved in the promotion of our products in private and government hospitals, including by conducting continuing medical education programmes in several hospitals. As of December 31, 2020, we distributed our products in over 5,000 private and government hospitals and nursing homes in India and we engaged with over 200 third-party distributors as well. We believe we have developed long-term relationships with a majority of our distributors.

Quality Control and Certifications

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

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

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

Health and Safety

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business.

Competition

The medical device industry is in a transformative phase with technological advancements and newer manufacturers entering the market. One of the biggest industries in healthcare, the medical device industry is driven by innovation and technology but currently witnesses strong competition in the market. The medical device manufacturers compete on the basis of product offerings to serve different market segments.

We sell our products in competitive markets, and face competition at the domestic and international level. We continue to invest in brand-building activities across various geographies to maintain our market position in the medical devices industry. Certain competitors may be larger than us and may have significantly greater financial resources than us. As a result, to remain competitive in our markets, we continuously strive to innovate products, improve existing products, reduce our costs of production and distribution and improve our operating efficiencies. The key players in the disposable medical devices industry consist mainly of multi-national companies such as Hindustan Syringes & Medical Devices, Skanray Technologies Opto Circuits (India), Wipro GE Healthcare, 3 M, Medtronic, Johnson & Johnson, Becton Dickinson, Abbott Vascular, Bausch & Lomb, Baxter, Zimmer India, Edwards Life Sciences, St. Jude Medical (Abbott), Smith & Nephew, Cochlear, Stryker, Boston Scientific, BPL Healthcare India, Sushrut Surgicals, Trivitron Diagnostics, Accurex Biomedical, Biopore Surgicals, Endomed Technologies, HD Medical Services (India), Skanray Technologies, Eastern Medikit, Harsoria Healthcare, Nidhi Meditech System, Philips Medical, Wipro Technologies, HCL Technologies, and Texas Instruments (*Source: CRISL Report*). Other than multi-national companies and Indian companies, the disposable medical devices industry in India also has various fragmented local players catering to regional or local markets.

Human Resources

Our employees contribute significantly to our business operations. As of December 31, 2020, our Company had 1,965 employees, including over 200 engineers.

We place significant emphasis on the recruitment and retention of our personnel and provide continuous training for employees to achieve high quality skills and improve productivity. Trainings are provided to enhance technical and behavioural skills. During the COVID-19 pandemic, to further strengthen our employee relationships, we recognized employee performances by way of incentives, and periodically facilitated meetings between our employees and senior management. Other employee engagement programs include publication of our quarterly magazine "*Seekh*", highlighting development and training activities, and sponsoring fitness initiatives.
Our employees are not unionized and our operations have not been interrupted by any work stoppage, strike, demonstration or other labour or industrial disturbance. We have not experienced any industrial disputes.

Insurance

We maintain insurance policies with reputed independent insurers in relation to our business and operations, our assets, equipment, products, inventories, employees and other assets. Our insurance policies cover damage to fixed and tangible assets, and we also have separate policies for stock and receivables. We have standard fire and special peril insurance policies for all our manufacturing facilities. We also have insurance policies covering product liability claims, and marine cargo insurance to cover export of products. Further, for our directors and officers, we have obtained a director's and officers' liability insurance and for our human resources, we maintain a group health insurance policy.

Intellectual Property

As of December 31, 2020, we have successfully been granted over 300 patents and have also filed for grant of over 150 patents in India and worldwide, including in the United States of America, Europe and the United Kingdom, South Africa, Russia, China and Australia. Additionally, we have 214 registered trademarks including our logo, 121 registered designs and 15 registered copyrights in India and worldwide, as of December 31, 2020.

Corporate Social Responsibility

Our Company is actively involved in social initiatives which include several social and environmental initiatives. We support activities aimed at eradicating hunger, poverty and malnutrition, promote health care through awareness programs, and promoting gender equality and empowering women.

Property

Our Registered and Corporate Office is situated at 232B, 3rd Floor, Okhla Industrial Estate, Phase III, New Delhi 110 020, India and this property has been leased to our Company. As on the date of the Placement Document, our Company owns the properties where our Faridabad Facility – I, Faridabad Facility – II, Faridabad Facility – III and the R&D Center are located. Further, our Company has entered into long term lease agreements for the properties where the Jaipur Facility and Haridwar Facility are located.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

In accordance with our Articles of Association, read with applicable provisions of the Companies Act, 2013, our Company is required to have not less than three Directors and not more than 12 Directors. However, our Company may appoint more than 12 Directors pursuant to a special resolution of our Shareholders. Currently, our Company has 11 Directors, which comprise two Executive Directors, three Non-Executive Director and six Independent Directors.

The following table sets forth details regarding our Board as of the date of this Placement Document:

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Mr. Devendra Raj Mehta *Address:* B-5, Mahavir Udyan Marg, Bajaj Nagar, Jaipur Rajasthan 302 015, India *DIN:* 01067895 *Term:* Five years with effect from September 23, 2019 *Occupation:* Professional *Nationality:* Indian	83	Chairman (Non-Executive Independent Director)
Mr. Himanshu Baid *Address:* M 229, Greater Kailash Part II, New Delhi 110 048, India *DIN:* 00014008 *Term:* Five years with effect from August 1, 2019 *Occupation:* Entrepreneur *Nationality:* Indian	52	Managing Director
Mr. Rishi Baid *Address:* W 169, Greater Kailash Part II, New Delhi 110 048, India *DIN:* 00048585 *Term:* Five years with effect from August 1, 2019 *Occupation:* Entrepreneur *Nationality:* Indian	48	Joint Managing Director
Mr. Jugal Kishore Baid *Address:* KA-15, Malviya Marg, C- Scheme, MI Road Jaipur Rajasthan 302 001, India *DIN:* 00077347 *Term:* Liable to retire by rotation *Occupation:* Entrepreneur *Nationality:* Indian	78	Non-Executive Non-Independent Director

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Ms. Mukulika Baid *Address:* KA-15, Malviya Marg, C- Scheme, MI Road Jaipur Rajasthan 302 001, India *DIN:* 02900103 *Term*: Liable to retire by rotation *Occupation:* Business *Nationality:* Indian	70	Non-Executive Non-Independent Director
Mr. Prakash Chand Surana *Address*: V-14, 2nd Floor, Green Park Extension, New Delhi-110016 India *DIN:* 00361485 *Term:* Five years with effect from September 23, 2019 *Occupation:* Professional *Nationality:* Indian	74	Independent Director
Dr. Shailendra Raj Mehta *Address:* T 24, Faculty Block, Indian Institute of Management, Ahmedabad, Vastrapur, Ahmedabad 380 015, Gujarat, India *DIN:* 02132246 *Term:* Five years with effect from September 23, 2019 *Occupation:* Professional *Nationality:* Indian	61	Independent Director
Dr. Sandeep Bhargava *Address:* W-12, GK- I Police Station, Greater Kailash Colony, South Delhi 110 024, India *DIN:* 07736003 *Term*: Five years with effect from September 23, 2019 *DIN:* 07736003 *Occupation:* Doctor *Nationality:* Indian	53	Independent Director
Mr. Alessandro Balboni *Address:* San Giorgio Di Mantova Italy *DIN:* 08119143 *Term:* Liable to retire by rotation *Occupation:* Professional	59	Non-Executive Non-Independent Director

Name, Address, DIN, Term, Occupation and Nationality	Age (in years)	Designation
Nationality: Indian		
Ms. Sonal Mattoo *Address:* K- 1487, Palam Vihar, Guragon, Haryana, 112 017 India *DIN:* 00106795 *Term:* Five years with effect from September 29, 2020 *Occupation:* Advocate *Nationality:* Indian	47	Independent Director
Mr. Amit Khosla *Address* B-1/18, First Floor, Vasant Vihar, New Delhi 110 057, India *DIN:* 00203571 *Term:* Five years with effect from September 29, 2020 *Occupation:* Service *Nationality:* Indian	46	Independent Director

Brief Profiles

Composition of the Board of Directors

Mr. Devendra Raj Mehta

Mr. Devendra Raj Mehta, aged 83 years, is our Chairman and is a Non-Executive, Independent Director of our Company. He not only has over 49 years of experience in civil services, but prior to joining our Board, he has also served as the chairman of SEBI and has been also the deputy governor of the RBI. He has been on our Board since May 26, 2005.

Mr. Himanshu Baid

Mr. Himanshu Baid, aged 52 years, is the Managing Director of the Company. He has been associated with the Company since its incorporation and accordingly has nearly 23 years of experience in the field manufacturing, sales and marketing of medical devices.

Mr. Rishi Baid

Mr. Rishi Baid, aged 48 years, is an Executive Director of the Company. He has been associated with the Company since its incorporation and accordingly has nearly 23 years of experience in the field manufacturing, operations and R&D of medical devices.

Mr. Jugal Kishore Baid

Mr. Jugal Kishore Baid, aged 78 years, is a Non-Executive Director of the Company. He has been associated with the Company since its incorporation and accordingly has nearly 23 years of experience in the field of engineering.

Ms. Mukulika Baid

Ms. Mukulika Baid, aged 70 years, is a Non-Executive Director of the Company. She has been on our Board since July 30, 2014 and accordingly has nearly 6 years of experience in the field of management and marketing.

Mr. Prakash Chand Surana

Mr. Prakash Chand Surana, aged 74 years, is a Non-Executive, Independent Director of the Company. He has been on our Board since September 22, 1997 and accordingly has nearly 23 years of experience in the field of taxation and corporate laws.

Dr. Shailendra Raj Mehta

Dr. Shailendra Raj Mehta, aged 61 years is a Non-Executive, Independent Director of the Company. He has been on our Board since May 28, 2012 and accordingly has nearly 8 years of experience in the field of management and economics.

Dr. Sandeep Bhargava

Dr. Sandeep Bhargava, aged 53 years, is an Independent Director of our Company. He has been associated with our Company since February 25, 2017 and accordingly has nearly 3 years of experience in the field of medicine.

Mr. Alessandro Balboni

Mr. Alessandro Balboni, aged 59 years, is a Non-Executive, Non-Independent Director of our Company. He has been associated with our Company since May 10, 2018 and accordingly has nearly 2 years of experience in the field of healthcare and sales.

Ms. Sonal Mattoo

Ms. Sonal Mattoo, aged 47 years, is an Independent Director of the Company. She has been associated with our Company since August 29, 2020.

Mr. Amit Khosla

Mr. Amit Khosla, aged 46 years, is an Independent Director of the Company. He has been associated with our Company since June 5, 2020.

Borrowing Powers of the Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a special resolution passed through postal ballot and declared on January 10, 2015, our shareholders authorized our Board to borrow from time to time such sums of money as may be required, provided that such amount shall not exceed ₹ 4,000 million, irrespective of whether such amount exceeds the aggregate of the paid up share capital of the Company and its free reserves.

Interests of our Directors

All our Directors may be deemed to be interested to the extent of remuneration, commission, reimbursement of expenses and other benefits to which they are entitled as per their terms of appointment, including sitting fees payable to our Non-Executive Director and Independent Directors for attending meetings of the Board or a committee thereof, see " – ***Remuneration of the Directors***" on page 137. Our Directors may also be deemed to be interested to the extent of their direct or indirect shareholding in our Company, any dividend payable to them and other distributions in respect of such shareholding and any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members.

For details of the Equity Shares held by our Directors, see "– ***Shareholding of Directors***" on page 137 below.

For details on related party transactions, see "***Related Party Transactions***" on page 31.

None of our Promoters, our Directors have interest in the promotion of our Company as on the date of this Placement Document.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Relationship between Directors

Except Mr. Himanshu Baid, Mr. Rishi Baid, Mr. Jugal Kishore Baid and Ms. Mukulika Baid, none of our directors are related to each other. Mr. Himanshu Baid and Mr. Rishi Baid are sons of Mr. Jugal Kishore Baid and Ms. Mukulika Baid is the wife of Mr. Jugal Kishore Baid.

Shareholding of Directors

Other than as set forth below, our Directors did not hold any Equity Shares as on December 31, 2020:

Name	Number of Equity Shares	Percentage (%) of the pre-Issue issued and paid-up share capital as on December 31, 2020
Mr. Rishi Baid	9,993,048	11.33
Mr. Himanshu Baid	7,907,624	8.96
Ms. Mukulika Baid	3,062,400	3.47
Mr. Jugal Kishore Baid	2,279,376	2.58
Mr. Prakash Chandra Surana	2,098	*Negligible*

Terms of appointment of Executive Directors

Remuneration of the Directors

A. Executive Directors

The following table sets forth the compensation paid by our Company to our Executive Directors during Fiscals 2020, 2019 and 2018, and for the period April 1, 2020 to December 31, 2020:

(*In ₹ million*)

Name	April 1, 2020 to December 31, 2020			Fiscal 2020			Fiscal 2019			Fiscal 2018		
	Salary	Commission	Total	Salary	Commission	Total	Salary	Commission	Total	Salary	Commission	Total
Mr. Himanshu Baid	33.10	33.71	66.81	34.80	27.50	62.30	14.98	30	44.98	14.09	27.50	41.59
Mr. Rishi Baid	31.68	35.29	66.97	32.75	27.50	60.25	14.04	30	44.04	13.23	27.50	40.73

For further details of compensation paid to our executive Directors during Fiscals 2018, 2019 and 2020, see "***Related Party Transactions***" on page 31.

B. Non-Executive Directors and Independent Directors

Our Non-Executive Directors are entitled to sitting fees of ₹50,000 for attending each meeting of the Board of Directors or a committee thereof.

The following table sets forth the remuneration paid by our Company to our Non-Executive Directors for Fiscals 2020, 2019 and 2018 and for the period between April 1, 2020 and December 31, 2020. We pay sitting fees and commissions to our Non-Executive Directors, except Mr. Alessandro Balboni to whom we pay business development fees.

(*In ₹ millions*)

Name	Sitting Fees and Commissions			
	April 1, 2020 to December 31, 2020	**Fiscal 2020**	**Fiscal 2019**	**Fiscal 2018**
Mr. Devendra Raj Mehta	1.07	1.32	1.10	1.00
Mr. Jugal Kishore Baid	0.95	1.17	0.97	0.97
Ms. Mukulika Baid	0.95	1.17	0.97	0.95
Mr. Prakash Chand Surana	1.07	1.25	0.92	1.10
Dr. Shailendra Raj Mehta	1.00	1.20	1.07	1.05
Dr. Sandeep Bhargava	0.97	1.20	0.97	0.90
Mr. Alessandro Balboni*	14.34	20.93	14.18	-
Ms. Sonal Mattoo	0.82	-	-	-
Mr. Amit Khosla	0.9	-	-	-

**The fees paid is business development fees and is not a sitting fee or commission.*

Corporate Governance

As on the date of this Placement Document, we have 11 Directors on our Board, which comprise two Executive Directors, three Non-Executive Director and six Independent Directors. Further, we have two women Directors, one of whom is an Independent Director. Our Company is in compliance with the corporate governance requirements prescribed under the SEBI Listing Regulations and Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Committees of our Board of Directors

Our Company has constituted the following four committees in terms of the SEBI Listing Regulations and the Companies Act, 2013, each of which functions in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as applicable:

(i) Audit Committee;
(ii) Stakeholders' Relationship Committee;
(iii) Nomination and Remuneration Committee;
(iv) Corporate Social Responsibility Committee; and
(v) Risk Management Committee.

The details of these committees are as follows:

A. Audit Committee

The members of the Audit Committee are:

(i) Mr. Prakash Chand Surana - Chairman
(ii) Mr. Devendra Raj Mehta - Member
(iii) Dr. Shailendra Raj Mehta - Member
(iv) Mr. Amit Khosla - Member

B. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

(i) Mr. Prakash Chand Surana - Chairman
(ii) Mr. Himanshu Baid - Member
(iii) Mr. Rishi Baid - Member

C. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

(i) Mr. Prakash Chand Surana - Chairman
(ii) Dr. Sandeep Bhargava - Member

(iii) Mr. Devendra Raj Mehta - Member

D. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

(i) Mr. Devendra Raj Mehta - Chairman
(ii) Mr. Jugal Kishore Baid - Member
(iii) Ms. Mukulika Baid - Member

E. Risk Management Committee

The members of the Risk Management Committee are:

(i) Dr. Sandeep Bhargava - Chairman
(ii) Mr. Himanshu Baid - Member
(iii) Mr. Rishi Baid - Member

Senior Management

The following table sets forth the details of our Senior Management, i.e., our Key Managerial Personnel ("**Senior Management**"), other than our Managing Director and Joint Managing Director:

S. No.	Name	Designation	Experience with the Company (in years)
1.	Mr. Avinash Chandra	Company Secretary	6
2.	Mr. J.K. Oswal	Chief Financial Officer	20

Shareholding of Senior Management

In addition to the shareholding of our Managing Director and Joint Managing Director as disclosed above in " – ***Shareholding of Directors***", and except as disclosed below, our Senior Management do not hold any Equity Shares as on December 31, 2020:

Name	Number of Equity Shares	Percentage (%) of the pre-Issue issued and paid-up share capital as on December 31, 2020
Mr. J.K. Oswal	37,918	0.04

Interest of Key Managerial Personnel

Except as stated in " ***– Interest of our Directors***" above and in "***Related Party Transactions***" on pages 136 and 31 respectively, and to the extent of their shareholding in our Company, and remuneration or benefits to which they are entitled as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business and Equity Shares that have been allotted to them under the Incentive Plan, our Key Managerial Personnel and Senior Management do not have any other interest in our Company.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Key Managerial Personnel or members of the Senior Management are interested.

Other than as disclosed in "***– Relationship between Directors***" above on page 137, none of our Key Managerial Personnel are related to each other.

Other confirmations

Except as otherwise stated above in "***– Interests of our Directors***" and "***– Interest of Key Managerial Personnel***" on pages 136 and 129 respectively, none of our Directors or Key Managerial Personnel or members of the senior management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

None of our Promoters or Directors have been identified as wilful defaulters, as defined under the SEBI ICDR Regulations. None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither our Company, nor our Directors or Promoters have been debarred from accessing capital markets under any order or direction made by SEBI.

ORGANIZATIONAL STRUCTURE

Corporate History

Our Company was incorporated in Delhi on March 30, 1995 under the Companies Act, 1956 as a public limited company under the name 'Poly Medicure Limited'. Our Company is engaged in the business of manufacturing disposable medical devices. We obtained a certificate of commencement of business on May 4, 1995.

Organizational Structure

Subsidiaries

As on the date of this Placement Document, our Company has three wholly owned subsidiaries and one step down subsidiary.

1. **Poly Medicure (Laiyang) Co. Limited**

   Poly Medicure (Laiyang) Co. Limited. has been incorporated on June 25, 2007 under the laws of China. Its registered office is situated at Area A, Heshan Road, Laiyang Economical Development District, Laiyang, Shandong, China.

2. **Plan1 Health India Private Limited**

   Plan1 Health (India) Private Limited was incorporated on February 25, 2020 under the laws of India. Its registered office is situated at 232-B, 3rd Floor, Okhla Industrial Estate, Phase-III, New Delhi 110020 India.

3. **Plan1 Health s.r.l**.

   Plan1 Health s.r.l. was duly incorporated on February 26, 1990 under the laws of Italy. Its registered office is situated at Amaro (UD)Via Fratelli Solari 5 Cap 33020, Italy.

4. **Poly Medicure B.V.**

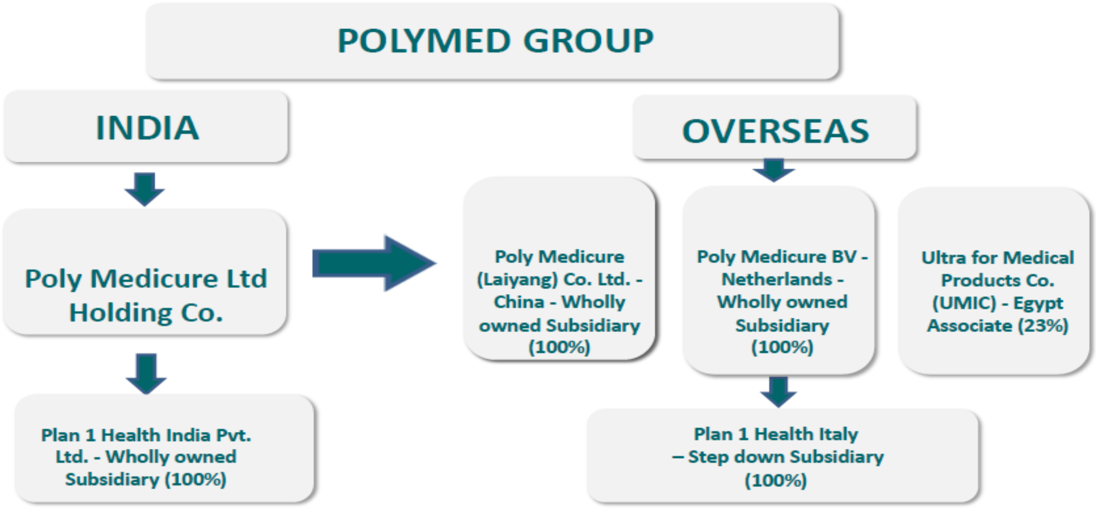
   Poly Medicure B.V. was been duly incorporated on March 15, 2018 under the laws of Netherlands. Its registered office is situated at Keizersgracht 391A, 1016 EJ, Amsterdam, the Netherlands.

Associates

As on the date of this Placement Document, our Company has one associate.

1. **Ultra for Medical Products Company**

   Ultra for Medical Products Company was incorporated on March 19, 2002 under the laws of Egypt. Its registered office is situated at 64, Nakhla E1 Motei Street-Triumph-Heliopolis-Cairo, Egypt.


POLYMED GROUP
INDIA
OVERSEAS
Poly Medicure Ltd Holding Co.
Plan 1 Health India Pvt. Ltd. - Wholly owned Subsidiary (100%)
Poly Medicure (Laiyang) Co. Ltd. - China - Wholly owned Subsidiary (100%)
Poly Medicure BV - Netherlands - Wholly owned Subsidiary (100%)
Ultra for Medical Products Co. (UMIC) - Egypt Associate (23%)
Plan 1 Health Italy – Step down Subsidiary (100%)

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on December 31, 2020, is set forth below.

Table I: Summary statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) — No of Voting (XIV) Rights — Class eg: X	Class eg: y	Total	Total as a % of (A+B+C)	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) — No. (a)	As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) — No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)
(A)	Promoter & Promoter Group	19	43,028,552			43,028,552	48.76	43,028,552.00		43,028,552.00	48.76				48.76					43,028,552
(B)	Public	18,111	45,218,428			45,218,428	51.24	45,218,428.00		45,218,428.00	51.24				51.24					44,921,952
(C)	Non Promoter-Non Public																			
(C1)	Shares underlying DRs																			
(C2)	Shares held by Employee Trusts																			
	Total	**18,130**	**88,246,980**			**88,246,980**	**100**	**88,246,980.00**		**88,246,980.00**	**100.00**				**100**					**87,950,504**

Table II: Statement showing shareholding pattern of the Promoters and Promoter Group

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) — No of Voting (XIV) Rights			Number of Voting Rights held in each class of securities (IX) — Total as a % of Total Voting rights	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Class eg: X	Class eg: y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(1)	**Indian**																			
(a)	Individuals/Hindu undivided Family	14	35,798,208			35,798,208	40.57	35,798,208.00		35,798,208	40.57				40.57					35,798,208
(b)	Central Government/ State Government(s)																			
(c)	Financial Institutions/ Banks																			
(d)	Any Other (specify)	3	7,003,144			7,003,144	7.94	7,003,144.00		7,003,144	7.94				7.94					7,003,144
Sub-Total (A)(1)		17	42,801,352			42,801,352	48.50	42,801,352.00		42,801,352	48.50				48.50					42,801,352
(2)	**Foreign**																			
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	2	227,200			227,200	0.26	227,200.00		227,200	0.26				0.26					227,200
(b)	Government																			
(c)	Institutions																			
(d)	Foreign Portfolio Investor																			
(e)	Any Other (specify)																			
Sub-Total (A)(2)		2	227,200			227,200	0.26	227,200.00		227,200	0.26				0.26					227,200
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		19	43,028,552			43,028,552	48.76	43,028,552.00		43,028,552	48.76				48.76					43,028,552

Table III: Statement showing shareholding pattern of the public shareholders

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) – No of Voting (XIV) Rights – Class eg: X	Number of Voting Rights held in each class of securities (IX) – No of Voting (XIV) Rights – Class eg: y	Number of Voting Rights held in each class of securities (IX) – No of Voting (XIV) Rights – Total	Number of Voting Rights held in each class of securities (IX) – Total as a % of Total Voting rights	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) – No. (a)	Number of Locked in shares (XII) – As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) – No. (a)	Number of Shares pledged or otherwise encumbered (XIII) – As a % of total Shares held (b)	Number of equity shares held in dematerialized form (XIV)
(1)	**Institutions**																			
(a)	Mutual Funds	3	14,359			14,359	0.02	14,359		14,359	0.02				0.02					14,359
(b)	Venture Capital Funds																			
(c)	Alternate Investment Funds	6	217,168			217,168	0.25	217,168		217,168	0.25				0.25					217,168
(d)	Foreign Venture Capital Investors																			
(e)	Foreign Portfolio Investors	20	3,307,398			3,307,398	3.75	3,307,398		3,307,398	3.75				3.75					3,307,398
(f)	Financial Institutions/ Banks	1	200			200	0.00	200		200	0.00				0.00					200
(g)	Insurance Companies																			
(h)	Provident Funds/ Pension Funds																			
(i)	Any Other (specify)																			

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg: y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	Sub-Total (B)(1)	30	3,539,125			3,539,125	4.01	3,539,125.00		3,539,125	4.01				4.01					3,539,125
(2)	Central Government/ State Government(s)/ President of India																			
	Sub-Total (B)(2)																			
(3)	**Non-institutions**																			
(a)(i)	Individuals - i.Individual shareholders holding nominal share capital up to Rs. 2 million.	17,310	5,413,571			5,413,571	6.13	5,413,571		5,413,571	6.13				6.13					5,117,095
(a)(ii)	Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 million.	14	10,137,367			10,137,367	11.49	10,137,367		10,137,367	11.49				11.49					10,137,367
(b)	NBFCs registered with RBI	1	1,990			1,990	0.00	1990		1990	0.00				0.00					1,990

Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg: y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(c)	Employee Trusts																			
(d)	Overseas Depositories (holding DRs) (balancing figure)																			
(e)	Any Other (specify)	756	26,126,375			26,126,375	29.61	26,126,375		26,126,375	29.61				29.61					26,126,375
	Sub-Total (B)(3)	18,081	41,679,303			41,679,303	47.23	41,679,303.00		41,679,303	47.23				47.23					41,382,827
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	18,111	45,218,428			45,218,428	51.24	45,218,428.00		45,218,428	51.24				51.24					4,4921,952

Table IV: Statement showing shareholding pattern of the non-promoter non-public shareholders

Sr.	Category & Name of the Shareholders (I)	Nos. Of sharehol ders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting (XIV) Rights			Total as a % of Total Voting rights									
								Class eg: X	Class eg: y	Total						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(1)	Custodian/DR Holder - Name of DR Holders (If Available)																			
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)																			
Total Non-Promoter - Non Public Shareholding (C)= (C)(1)+(C)(2)																				
Total (A+B+C2)		18130	88,246,980			88,246,980	100.00	88,246,980.00		88,246,980	100.00					100.00				87,950,504
Total (A+B+C)		18130	88,246,980			88,246,980	100.00	88,246,980.00		88,246,980	100.00					100.00				87,950,504

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment of Application Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 163 and 170, respectively.*

Our Company, the Book Running Lead Managers and their respective directors, shareholders, employees, counsels, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as prospectuses with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a Qualified Institutions Placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have adopted a special resolution approving the Issue. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose among other things, the particulars of this Issue, including the date of passing our Board resolution, the kind of securities being offered, amount which the Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of this Issue, the contribution made by the Promoters or Directors either as part of this Issue or separately in furtherance of the objects and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the QIP, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution;

- the Issue must be made through a private placement offer letter (i.e., the Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application letter (i.e., the Preliminary Placement Document and this Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited.

- In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the Allottees; and

- the Promoters and Directors of our Company are not Fugitive Economic Offenders.

At least 10% of the Equity Shares issued to Eligible QIBs shall be Allotted to Mutual Funds, provided that, if this portion or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be Allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or the Fund Raise Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of the Shareholders passed through postal ballot on January 14, 2021 our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving the QIP and within 60 days from the date of receipt of Application Amount from the Successful Bidders. For details of Allotment, see "***– Pricing and Allocation – Designated Date and Allotment of Equity Shares***" below.

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document. The Preliminary Placement Document and this Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors.

This Issue was authorized and approved by our Board of Directors on December 8, 2020 and approved by our shareholders by way of postal ballot on January 14, 2021.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 2,500 million; and
- five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes "same group" or "common control", see "***– Bid Process – Application Form***" below.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognised stock exchange.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A to U.S. QIB) pursuant to applicable exemptions under the Securities Act, and (b) outside the United States (as defined in Regulation S) in reliance on Regulations S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see "*Selling Restrictions*" beginning on page 163.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Our Company has also filed a copy of the Preliminary Placement Document and this Placement Document with each of the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE, each dated February 15, 2021.

Issue Procedure

1. Our Company and the Book Running Lead Managers have circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible QIBs and the Application Form has been specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form had been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered has been determined by the BRLMs in consultation with our Company, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers.

4. Bidders will be required to indicate the following in the Application Form:

    - Full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id and bank account details;

    - number of Equity Shares Bid for;

    - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

- details of the beneficiary account maintained with a depository participant to which the Equity Shares should be credited pursuant to this Issue; and

- a representation that it is (i) outside the United States acquiring the Equity Shares in an "offshore transaction" under Regulation S or (ii) in the United States and is a "qualified institutional buyer" as defined in Rule 144A, and it has agreed to certain other representations set forth in the "***Representations by Investors***" on page 5 and "***Transfer Restrictions***" on page 170 of the Preliminary Placement Document and certain other representations made in the Application Form.

Note: *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.*

5. Each Bidder was required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company was required to keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appeared first in the Application Form. Pending Allotment, Application Amount received for subscription of the Equity Shares has been kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event, among others, a Bidder was not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to the Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "***– Refunds***" on page 159 below.

6. Once a duly completed Application Form was submitted by a Bidder and the Application Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Issue Closing Date. In case of upward revision before the Issue Closing Date, an additional amount was required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so. The Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs been given notice of such date after receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI.

8. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company has, in consultation with Book Running Lead Managers determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers sent the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation has been at the absolute discretion of our Company**

and was based on the recommendation of the Book Running Lead Managers.

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only Eligible QIBs were eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Non-Debt Rules has been considered as Eligible QIBs. FVCIs were not permitted to participate in the Issue. Currently, QIBs, who were eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non-banking financial companies.

Eligible FPIs were permitted to participate through the portfolio investment scheme under Schedule II of FEMA Non-Debt Rules, in this Issue. Eligible FPIs were permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits

as prescribed under applicable laws in this regard. Other eligible non-resident QIBs were required to participate in the Issue under Schedule I of the FEMA Non-Debt Rules. FVCI's are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means common ownership of more than fifty per cent or common control) was not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI including its investor group shall be below 10% of the total paid-up Equity Share capital of our Company. In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group was required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates. The existing aggregate investment limit for FPIs in the Company is 100% of the paid up capital of the Company.

Two or more subscribers of ODIs having a common beneficial owner was considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs were permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, advisors, representatives, agents or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs were advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable

law or regulation or as specified in the Preliminary Placement Document or this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations.

Note: *Affiliates or associates of the Book Running Lead Managers who are Eligible QIBs could participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs could only use the serially numbered Application Forms (which were addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document. The Application Form could be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB was deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 2, 5, 163 and 170, respectively:

- The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

- The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;

- The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

- The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

- The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

- The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

- The Eligible QIB confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Non-Debt Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

- The Eligible QIB confirms that its Bids would not result in triggering an open offer under the SEBI Takeover Regulations;

- The Eligible QIB agrees that it will make payment of its Application Amount along with submission of the

Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by it, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;

- The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

- The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in this Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that the disclosure of such details in relation to it in this Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

  a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary (ies) or holding company and any other QIB; and

  b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- The Eligible QIB confirms that:

  (a) If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; and

  (b) If it is outside the United States, it is purchasing the Equity Shares in an offshore transaction in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate.

- The Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

- The QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

ELIGIBLE QIBS WERE REQUIRED TO PROVIDE THEIR BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares that may be Allotted to such Bidder and shall become a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to duly completed with information including the number of Equity Shares applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form included details of the relevant Escrow Account into which the Application Amounts were required to be deposited. The Application Amount were required to be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Church gate, Mumbai 400 020
Maharashtra, India
Contact Person: Mr. Sameer Purohit/ Ms. Nidhi Wangnoo
E-mail: polymedqip@icicisecurities.com
Phone No.: +91 22 2288 2460

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Contact Person: Prachee Dhuri
Email: polymed.qip@jmfl.com
Phone No.: +9122 6630 3030/ +91 22 6630 3262

The Book Running Lead Managers were not required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue, were required to pay the entire Application Amount along with the submission of the Application Form within the Issue Period.

Payment of Application Amount

Our Company has opened the Escrow Account in the name of "**Poly Medicure Limited – QIP Escrow Account**" with HDFC Bank Limited, in terms of the Escrow Agreement. Bidders were required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments were to be made only through electronic fund transfer.

Note: Payments through cheques or demand draft or cash shall be rejected.

If the payment was not made favouring the "**Poly Medicure Limited – QIP Escrow Account**" within the Issue Period stipulated in the Application Form, the Application Form of the QIB was liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "**Poly Medicure Limited – QIP Escrow Account**" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) refund of Application Amount if our Company was not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "***– Refunds***" below on page 159.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN allotted under the IT Act in the Application Form. Applications without this information was being considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder was required to mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids could not be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, have determined the Issue Price, which is at or above the Floor Price. However, our Company has offered a discount of 4.86% on the Floor Price in compliance with Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to resolution through postal ballot dated January 14, 2021.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price have been grouped together to determine the total demand. The Allocation to all such Eligible QIBs have been made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES WAS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, has decided the Successful Bidders to whom the serially numbered CAN has been dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allotted have been notified to such Successful Bidders.

The Successful Bidders have also been sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, the Eligible QIB would have deemed to have made the representations and warranties as specified in "***Notice to Investors***" on page 2 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Equity Shares

The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs' beneficiary accounts maintained with the Depository Participant, our Company will apply for final trading and listing approvals from the Stock Exchanges.

Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company has been to be disclosed in this Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the Book Running Lead Managers and the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount paid by a Bidder was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder has withdrawn the Application Form prior to the Issue Closing Date, the excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the date of issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue within 60 days from the date of receipt of the Application Amount, or the Issue is cancelled post Allocation, or where our Company has Allotted the Equity Shares but final listing and trading approvals are refused by the Stock Exchanges, our Company shall repay the Application Amount within 15 days from expiry of 60 days or such other time period as applicable under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids was final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details see – "***Bid Process***" and – "***Refund***" above.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a successful QIB will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the QIBs.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "**Poly Medicure Limited – QIP Escrow Account**" to our Company until receipt of notice from the Book Running Lead Managers, the trading and listing approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT AND LOCK-UP

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Placement Agreement

The Book Running Lead Managers and our Company have entered into the Placement Agreement dated February 15, 2021 ("**Placement Agreement**"), pursuant to which each Book Running Lead Manager has agreed, subject to certain conditions, to use its reasonable efforts to place the Equity Shares with Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

In connection with the Issue, the Book Running Lead Managers (or their respective affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares. See "***Offshore Derivative Instruments***" on page 11.

From time to time, the Book Running Lead Managers and their respective affiliates may engage in transactions with and perform services for our Company, its affiliates, shareholders or their respective affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking, investment banking and other banking transactions with our Company, its affiliates, shareholders or their respective affiliates, for which they have received compensation and may in the future receive compensation.

Lock-up

Our Company will not, for a period commencing from the date of Allotment and ending 180 (one hundred and eighty) days from the date of Allotment, without the prior written consent of the Book Running Lead Managers, directly or indirectly, (a) issue, offer, lend, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, any of the economic consequences associated with the ownership of any of the Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares), regardless of whether any of such transactions are to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise; (c) deposit Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) with any depositary in connection with a depositary receipt facility or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares or such other securities in any depositary receipt facility; or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above; provided that the foregoing restrictions do not apply to any sale, transfer or disposition of Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares) pursuant to (A) the Issue; (B) issue of Equity Shares or other securities pursuant to any scheme of amalgamation or arrangement or otherwise in connection with any merger or acquisition of securities, business, property or other assets or other strategic corporate transaction, subject to providing prior intimation to each Book Running Lead Manager; or (C) the issue of Equity Shares pursuant to exercise of any options under, or grant of further options in terms of any Employee Stock Option Schemes.

Promoters' Lock-up

The Promoters have agreed that, without the prior written consent of the Book Running Lead Managers, they shall not, and have agreed to procure that no other member of the Promoter Group shall, during the period commencing on the date of Allotment and ending 180 (one hundred and eighty) days from the date of the Placement Document (both dates inclusive), directly or indirectly:

(1) offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Lock-up Shares;

(2) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Lock-up Shares;

whether any such transaction described in clause (1) or (2) above is to be settled by delivery of the Lock-up Shares, in cash or otherwise;

(3) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Lock-up Shares in any depository receipt facility; or

(4) publicly announce its intention to enter into the transactions referred to in (1) to (3) above.

Nothing would restrict (i) any inter-se transfer of any Equity Shares between Promoters/ members of the Promoter Group; or (ii) any sale of such number of Equity Shares necessary to achieve minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957, as amended; or (iii) creation of pledge on Equity Shares, as collateral as per normal commercial terms for loans availed by our Company in the ordinary course of business of our Company.

SELLING RESTRICTIONS

General

No action has been taken or will be taken that would permit an offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required, except in India and Malaysia. The Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document and this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each subscriber of the Equity Shares offered in the Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and in "***Notice to Investors***", "***Representations by Investors***", and "***Transfer Restrictions***" on pages 2, 5 and 170, respectively.

Republic of India

The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

The Preliminary Placement Document and this Placement Document:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "**Corporations Act**");

- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("**ASIC**"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and

- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act ("**Exempt Investors**").

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

This document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. This document is intended to be read by the addressee only. No invitation has been made in or from the Kingdom of Bahrain and there will be no marketing or offering of the Equity Shares to any potential investor in Bahrain. All marketing and offering is made and will be made outside of the Kingdom of Bahrain. The Central Bank of Bahrain or any other regulatory authority in Bahrain has not reviewed, nor has it approved, this document or the marketing of Equity Shares and takes no responsibility for the accuracy of the statements and information contained in this document, nor shall it have any liability to any person for any loss or damage resulting from reliance on any statements or information contained herein.

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered, and the Preliminary Placement Document and this Placement Document will not be made available to any persons in the Dubai International Financial Centre, except on that basis that:

a. any offer is an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and
b. this Placement Document is made only to, and is only capable of being accepted by, persons who meet the criteria to be a "deemed" Professional Client set out in Rule 2.3.4 of the DFSA Conduct of Business Module of the DFSA rulebook and who is not a natural person.

The DFSA has not approved the Preliminary Placement Document and this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. The Equity Shares to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered should conduct their own due diligence on the Equity Shares. If you do not understand the contents of the Preliminary Placement Document and this Placement Document, you should consult an authorised financial adviser.

European Economic Area and the United Kingdom

In relation to each Relevant State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require us or any Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the Book Running Lead Managers and the Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Book Running Lead Managers have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**") of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong) (the "**CO**") or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the Equity Shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Japan

The Equity Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the Equity Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Kuwait

The Preliminary Placement Document and this Placement Document is not for general circulation to the public in Kuwait. The Equity Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Equity Shares in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, the Preliminary Placement Document and this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and

Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of the Preliminary Placement Document and this Placement Document is subject to Malaysian laws. This Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

THE PUBLIC OF THE REPUBLIC OF MAURITIUS IS NOT INVITED TO SUBSCRIBE FOR THE INTERESTS OFFERED HEREBY. THIS MEMORANDUM RELATES TO A PRIVATE PLACEMENT AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN MAURITIUS TO SUBSCRIBE FOR THE INTERESTS OFFERED HEREBY. THE INTERESTS ARE ONLY BEING OFFERED TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS MEETING THE ELIGIBILITY CRITERIA. NO REGULATORY APPROVAL HAS BEEN SOUGHT FOR THE OFFER IN MAURITIUS AND IT MUST BE DISTINCTLY UNDERSTOOD THAT THE MAURITIUS FINANCIAL SERVICES COMMISSION DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF OR ANY REPRESENTATIONS MADE IN CONNECTION WITH THE COMPANY. THE MEMORANDUM IS FOR THE USE ONLY OF THE NAMED ADDRESSEE AND SHOULD NOT BE GIVEN OR SHOWN TO ANY OTHER PERSON.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMA Act**"). The Equity Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Qatar (excluding the Qatar Financial Centre)

This document does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (i) neither the Preliminary Placement Document and this Placement Document nor the Equity Shares have been registered, considered, authorized or approved by the Qatar Central Company, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (ii) neither the Company nor persons representing the Company are authorized or licensed by the Qatar Central Company, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (iii) the Preliminary Placement Document and this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (iv) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither the Company nor persons representing the Company are, by distributing this document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the "**QFC**"), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. The Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 128-2008, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial adviser.

Singapore

Each Book Running Lead Manager has acknowledged the Preliminary Placement Document and this Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each BRLM has represented and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Preliminary Placement Document and this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(ii) where no consideration is or will be given for the transfer;
(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or
(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA (Chapter 289 of Singapore), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations) 2018.

South Africa

The Equity Shares may not be offered or sold and will not be offered or sold to the public (as such term is used in Chapter 4 of the Companies Act 71 of 2008 ("**SA Companies Act"**)) in the Republic of South Africa save in the circumstances where it is lawful to do so without a registered prospectus being made available before the offer is made. The Preliminary Placement Document and this Placement Document does not constitute a registered prospectus for the purposes of and as defined in chapter 4 of the SA Companies Act, and has not been prepared in accordance with the provisions of the SA Companies Act applicable to the content of a prospectus.

The Preliminary Placement Document and this Placement Document is not to be distributed, delivered or passed on to any person resident in the Republic of South Africa, unless it is being made only to, or directed only at any person who does not fall within the definition of the public as contemplated in chapter 4 of the South African Companies Act or any other person to whom an offer of the Equity Shares in South Africa may lawfully be made (all such persons together being referred to as "**permitted South African offerees**").

The Preliminary Placement Document and this Placement Document must not be acted on or relied on by persons who are not permitted South African offerees. If the recipient of The Preliminary Placement Document and this Placement Document is in any doubt about the investment to which this document relates, the recipient should obtain independent professional advice.

Sultanate of Oman

This document does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No.1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this document is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this document or for the performance of the Company or the Equity Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither The Preliminary Placement Document and this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither The Preliminary Placement Document and this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Placement Document may only be used by those investors to whom it has been handed out in connection with the offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

Taiwan

The Equity Shares have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer or a solicitation of an offer within the meaning of the Securities and Exchange Act or relevant laws and regulations of Taiwan that requires a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (other than the Dubai International Financial Centre)

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates governing the issue, offering and sale of securities. Further, the Preliminary Placement Document and this Placement Document does not constitute a public offer of securities in the United Arab Emirates and is not intended to be a public offer. the Preliminary Placement Document and this Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

United Kingdom

In the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

United States

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to "qualified institutional buyers" (as defined in Rule 144A and referred to in The Preliminary Placement Document and this Placement Document as "U.S. QIBs". For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in The Preliminary Placement Document and this Placement Document as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the. Securities Act, and (ii) outside the United States in "offshore transactions" in reliance on Regulation S and pursuant to the applicable laws of the jurisdictions where those offers and sales are made.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "***Selling Restrictions***" on page 163.

U.S. Offer Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

If you purchase the Equity Shares offered in the United States in reliance upon Rule 144A or another available exemption from the registration requirements of the Securities Act, by accepting delivery of the Preliminary Placement Document and this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Placement Agent as follows:

- You (A) are a "qualified institutional buyer" (as defined in Rule 144A), (B) are aware that the sale of the Equity Shares to you is being made in reliance upon Rule 144A or another available exemption from the registration requirements of the Securities Act and (C) are acquiring such Equity Shares for its own account or for the account of a "qualified institutional buyer";

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance upon Regulation S, as applicable, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;

- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S, with respect to the Equity Shares. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any directed selling efforts;

- The Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;

- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

- You will base your investment decision on a copy of the Preliminary Placement Document and this Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Placement Agent) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the

Issue or the Equity Shares, other than (in the case of our Company only) the information contained in this Placement Document, as it may be supplemented; and

- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for you are subscribing to the Equity Shares for (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or any of the Placement Agent or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution.

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.

- You acknowledge that if at any time its representations cease to be true, you agree to resell the Equity Shares at our Company's request.

- You have been provided access to this Placement Document which you have read in its entirety.

- You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Placement Agent, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by us.

Global Offer Purchaser Representations and Transfer Restrictions

By accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of my Equity Shares, you will be deemed to have represented and agreed as follows:

- You will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of us or the Placement Agent and their respective affiliates shall have any responsibility in this regard;

- You certify that you are, or at the time the Equity Shares are purchased will be, (a) the beneficial owner of the Equity Shares, you are located outside the United States of America (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States; or (b) you are a broker-dealer acting on behalf of a customer and you customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States;

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, as applicable, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction;

- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.

- You will base your investment decision on a copy of this Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Placement Agent) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company) the information contained in this Placement Document, as may be supplemented.

- You acknowledge and agree (or if you're a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Placement Agent, your affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate, you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions, will not be recognized by us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 govern the voluntary and compulsory delisting of equity shares from the stock exchanges.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI

Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Prohibition of Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information, subject to certain limited exceptions.

The SEBI Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set out below is certain information relating to the share capital of our Company, including a brief summary of certain provisions of our Company's Memorandum and Articles of Association and the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company as of the date of this Placement Document is ₹ 600,000,000, divided into 120,000,000 Equity Shares of ₹ 5 each. Our issued, subscribed and paid up equity share capital as of the date of this Placement Document is ₹ 441,234,900 divided into 88,246,980 Equity Shares of ₹ 5 each.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. The Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014 provides that if the profit for a year is inadequate or nil, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to reserves, subject to the following conditions: (i) the rate of dividend to be declared shall not exceed the average of the rates at which dividend was declared by the company in the three years immediately preceding that year; (ii) the total amount to be drawn from such accumulated profits from previous years shall not exceed one-tenth of the sum of the paid-up share capital and free reserves as appearing in the latest audited financial statement; (iii) the amount so drawn shall first be utilized to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared; (iv) the balance of reserves after withdrawal must not be below 15% of paid-up share capital as appearing in the latest audited financial statement; and (v) unless carried over previous losses and depreciation not provided in previous year or years are set-off against profit of the company of the current year for which the dividend is declared or paid. SEBI, by its circular dated April 24, 2009, amended the Listing Agreement and provided that the dividend declared has to be on a per share basis only.

According to the Articles of Association, the shareholders of our Company in a general meeting may declare dividend which may not exceed the amount of the dividend recommended by our Board of Directors. However, our Board of Directors is not obligated to recommend a dividend. The decision of our Board of Directors and shareholders may depend on a number of factors, including but not limited to our Company's profits, capital requirements and overall financial condition. The profits of our Company shall, subject to any special rights relating thereto created or authorized to be created under our Articles of Association, be divisible among our shareholders in proportion to the amount of capital paid-up on the Equity Shares held by them respectively. The Board may also, from time to time, without the sanction of the shareholders of our Company in general meeting, pay to the shareholders of our Company, such interim dividends as in their judgment appear to be justified. Under the Companies Act, 2013 dividends can only be paid in cash to shareholders listed on the register of shareholders or to the order of such registered shareholders or to his bankers. No shareholder is entitled to a dividend while unpaid calls on any of his Equity Shares are outstanding.

Dividend must be paid within 30 days from the date of its declaration. Unclaimed dividend shall not be forfeited by our Company unless the claim thereof becomes barred by law. In terms of the provisions of the Companies Act, as applicable, our Company shall credit such unclaimed dividends to the unpaid dividend account of our Company, and any money transferred to the unclaimed dividend account of our Company which remains unpaid and unclaimed for a period of seven years from the date they became due for payment, shall be transferred by our Company to the 'Investor Education and Protection Fund', established by the Central Government.

Capitalization of Reserves

In addition to permitting dividends to be paid out of current or retained earnings, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid up bonus shares, which are similar to a stock dividend. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. The relevant provisions of the SEBI ICDR Regulations prescribe that no company shall, pending conversion of outstanding convertible securities, fully or partly convertible debt instruments, issue any shares by way of bonus unless similar benefit is extended to the holders of such convertible securities, through reservation of shares in proportion to such conversion. Further, as per the Companies Act, 2013, for the issuance of bonus shares a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Our Company, in a general meeting, may resolve that it is desirable to capitalize any part of the amount standing to the credit of any of our Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, among such shareholders as would be entitled to receive dividends, provided that any sum standing to the credit of a share premium account or capital redemption reserve fund may only be applied in paying up of unissued equity shares to be issued to our Company's shareholders as fully paid bonus shares.

Pre-Emptive Rights and Alteration of Share Capital

The Companies Act, 2013 and our Articles of Association give the shareholders the preemptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 21 days from the date of the offer within which the offer, if not accepted, will be deemed to have declined. The offer shall be deemed to include: a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Under Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Company's shareholders in a general meeting.

Our Articles of Association provide that our Company shall have the power to increase, reduce, sub-divide the share capital into several classes or repay or consolidate the share capital of our Company.

Preference Shares

Subject to Section 55 of the Companies Act, 2013, any new shares may be issued as preference shares which are liable to be redeemed within a period not exceeding 20 years from the date of their issue, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption. Such preference shares shall be redeemed out of the profits of our Company or out of the proceeds of a fresh issue of shares for the purpose of the redemption.

General Meetings of Shareholders

There are two types of general meetings of the Shareholders:

(i) Annual General Meeting, and
(ii) Extraordinary General Meeting

In accordance with Section 96 of the Companies Act, 2013 a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any special reason for a period not exceeding three months.
Our Board may, whenever it thinks fit, call an Extraordinary General Meeting and an Extraordinary General Meeting shall on the requisition of members or in case of default by the Board, may be called by such requisitionists as provided by Section 100 of the Companies Act, 2013. Since our Company has more than 5,000 members, 30 members personally present shall constitute the quorum for a general meeting, as provided under Section 103 of the Companies Act, 2013. If the quorum is not present within half an hour of the scheduled time for holding of the

general meeting, the meeting, convened upon requisition of members shall be dissolved, but in any other case it shall stand adjourned and reconvened to the same day in the next week.

Section 101 of the Companies Act, 2013 provides that notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. However, a general meeting may be called at shorter notice if at least 95% of the shareholders entitled to vote at the meeting give their consent.

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the Shareholders entitled to vote. A document may be served by the company on any member thereof and the notice of every meeting of the company shall be given to every member in any manner authorized by and as provided in Sections 20 and 101 of the Companies Act, 2013.

According to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, a company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of its memorandum of association, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode. Due to the outbreak of COVID-19 pandemic and the restrictions imposed on gathering of people through social distancing norms, the MCA, by way of its, General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 and SEBI, by way of its Circular No. SEBI/ HO/CFD / CMD1/ CIR/P/2020/79 dated May 12, 2020, has permitted companies to hold meetings, including annual general meetings through video conferencing or other audio visual means, during the calendar year 2020.

Voting Rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013, shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding Equity Shares and present in person shall have one vote. On a poll, every member holding Equity Shares therein shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, anyone of such persons may vote at any meeting either personally or by his proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting, that the vote of the first named person of such joint holders in the register of members, who tenders a vote whether in person or proxy shall be accepted to the exclusion of the votes of the other joint holders.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. The Companies Act, 2013 provides that to amend the articles of association of a company, a special resolution is required to be passed in a general meeting.

Section 47 of the Companies Act, 2013 provides that any preference shareholder present at any meeting of our Company, shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares. However, where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

Under the Companies Act, 2013, every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, shall be signed by an officer or any attorney duly authorized by it. The proxy so appointed shall have no right to speak at such meeting and shall not be entitled to vote except on poll.

As per our Articles of Association, the instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given.

Registration of Transfers and Register of Members

Our Company shall keep its Register of Members at its Registered Office and shall enter the particulars of every transfer or transmission of Equity Shares. Subject to the provisions of Section 91 of the Companies Act, 2013, the Board of Directors shall have the power to close the Register of Members for such periods, not exceeding 45 days in aggregate in a year and 30 days at any one time, subject to giving of previous notice of at least seven days or such lesser period as may be specified by SEBI. Under the Listing Agreements with the Stock Exchanges, our Company may, upon at least seven working days' advance notice to such Stock Exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of equity shares and the delivery of certificates in respect thereof may continue while the register of members is closed.

Directors

The Articles of Association of our Company provide that unless otherwise determined by the shareholders of our Company at a general meeting, the number of directors of our Company shall not be less than three and not be more than 12. The directors shall be appointed by our Company in a general meeting subject to the provisions of the Companies Act, 2013, and the Articles of Association. Pursuant to the Companies Act, 2013, not less than two-thirds of the total numbers of directors shall be persons whose period of office is subject to retirement by rotation and one third of such directors, or if their number is not three or a multiple of three, the number nearest to one-third, shall retire from office at every annual general meeting. The directors to retire are those who have been the longest in the office since their last appointment.

The Directors have the power to appoint any other persons as an addition to the Board but any Director so appointed shall hold office only up to the date of the next following annual general meeting of our Company but shall be eligible for re-election at such meeting. A casual vacancy in the Board can be filled by the Board of Directors at a meeting of the Board, and the person so appointed shall hold office only until the date which the director in whose place he is appointed would have held office. Our Board of Directors shall also have the power to appoint any person to act as an alternate director for a director during the latter's absence for a period of not less than three months from India.

Annual Report and Financial Results

The annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company. Under Section 137 the Companies Act, 2013, a company must file the financial statements with the registrar of companies within 30 days from the date of the annual general meeting. As required under the SEBI Listing Regulations, copies of such balance sheet and the statement of profit and loss account are required to be simultaneously sent to the stock exchanges on which the shares of the company making such filings are listed. A listed company must also publish its financial results in at least one English language daily newspaper circulating the whole or substantially the whole of India and also in a newspaper published in the language of the region where the registered office of such company is situated. Our Company submits certain information online, including its financial results and the shareholding pattern statement, in accordance with the requirements of the SEBI Listing Regulations and as may be specified by SEBI from time to time.

Annual Report and Financial Results

The annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company. Under Section 137 of the Companies Act, 2013, a company must file the financial statements with the Registrar of Companies within 30 days from the date of the annual general meeting. As required under the Listing Agreements with the Stock Exchanges, copies of such balance sheet and the profit and loss account are required to be simultaneously sent to the Stock Exchanges on which the shares of our Company making such filings are listed. A listed company must also publish its financial results in at least one English language daily newspaper circulating the whole or substantially the whole of India and also in a newspaper published in the language of the region where the registered office of such company is situated. Our Company submits certain information online, including its financial results and the shareholding pattern statement, in accordance with the requirements of the Listing Agreements and as may be specified by SEBI from time to time.

Transfer of shares

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), which are, however, exempt from stamp duty. The transfer of shares in dematerialized form is governed by the Depositories Act, 1996 and regulations made thereunder.

Under Section 58 of the Companies Act, 2013, if a public company without sufficient cause refuses to register a transfer of shares within 30 days from the date on which the instrument or intimation of transfer is delivered to the company, the transferee may, within a period of 60 days of such refusal or where no intimation has been received from the company, within 90 days of the delivery of the instrument of transfer, appeal to the National Company Law Tribunal seeking to register the transfer of shares.

Pursuant to the Listing Agreements, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, our Company is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Companies Act, 2013, provides that the shares or debentures of a publicly listed company shall be freely transferable. However, the Board of Directors may, under our Articles of Association, subject to Section 58 of the Companies Act, 2013 and the SCRA, at any time in its absolute discretion decline to register transfer of shares. Notice of such refusal must be sent to the transferee within one month of the date on which the transfer was lodged with our Company.

Acquisition by our Company of its own Equity Shares

Sections 68, 69 and 70 of the Companies Act, 2013, read with Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014, relate to the power of a company to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of the issue of any shares or other specified securities (other than from the proceeds of an earlier issue of the same kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

- the buy-back has been authorized by the articles of association of the company;
- a special resolution has been passed in a general meeting of the company authorizing the buy-back. Under the Companies (Management and Administration) Rules, 2014, such resolution authorizing buy-back has to be passed through a postal ballot;
- the buy-back is for less than 25% of the total paid-up capital and free reserves of the company, provided that the buy-back of equity shares in any financial year shall not exceed 25% of its total paid-up equity capital in that financial year;
- the ratio of the aggregate of secured and unsecured debts owed by the company after buy-back is not more than twice the paid-up capital and its free reserves;
- all the shares or other specified securities for buy-back are fully paid-up; and
- the buy-back is in accordance with the regulations made by SEBI in this behalf.

The requirement of special resolution mentioned above would not be applicable if the buy-back is for less than 10% of the total paid-up equity capital and free reserves of the company and provided that such buy-back has been authorized by the board of directors of the company. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the buy-back or to issue the same kind of securities for six months subject to certain exceptions. Every buy-back must be completed within a period of one year from the date of passing of the special resolution or resolution of the board of directors, as the case may be. Under Section 70 of the Companies Act, 2013, a company is also prohibited from purchasing its own shares or other specified securities through any subsidiary company, including its own subsidiary companies, or through any investment company or group of investment companies or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act, 2013.

Winding up

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of our Company, and may, with the like sanction, vest any part of the assets of our Company in trustees upon such trusts for the benefit of the contributories, as the liquidator with the like sanction shall think fit.

As per the Companies Act, 2013, subject to the rights of creditors, of employees, and of the holders of any other shares entitled by their terms of issue to preferential repayments over the shares, in the event of winding-up of our Company, the holders of Equity Shares are entitled to be repaid the amounts of capital paid up or credited as paid up on such shares or in case of a shortfall, proportionately. All surplus assets after payments due to employees, the holders of any preference shares and other creditors belong to the holders of ordinary shares in proportion to the amount paid up or credited as paid up on such shares, respectively, at the commencement of winding up. Without prejudice to the rights or the holder of shares issued upon special terms and conditions, preference shareholders shall have prior rights to repayment of capital and dividends due.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors

Poly Medicure Limited
232-B, 3rd Floor,
Okhla Industrial Estate Phase III
New Delhi – 110020 (India)

Dear Sirs,

Statement of Possible Tax Benefits available to Poly Medicure Limited ("the Company") and its shareholders under the Indian direct tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Poly Medicure Limited ('the Company') provides the possible tax benefits available to the Company and its shareholders as stated in Annexure 1, under the provisions of the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2020 read with the Income- tax Rules, 1962, i.e. applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22 (referred to as 'the Direct Tax Law'). The changes proposed in Finance Bill 2021 in the Budget presented in parliament on 1st February 2021 being not effective as on date of this certificate are not being included, as Finance Bill 2021 has not yet been passed by both houses of the parliament and not assented by Honorable President of India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Direct Tax Law. Hence,the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfillingsuch conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexure is not exhaustive and the preparation of the contents stated in the Annexure is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Direct Tax Laws, each investor is advised to consult his or her tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering of equity shares of face value Rs 5 each by the Company in a Qualified Institutions Placement (the "Offering") in accordance with the provisions of Chapter Vl of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBl ICDR Regulations") filed by the Company with the National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India ("SEBI"). We are neither suggesting nor advising the investors to invest in the Offering relying on this statement.

3. We do not express any opinion or provide any assurance as to whether:
    - the Company or its shareholders will obtain/ continue to obtain these tax benefits in future; or
    - the conditions prescribed for availing the tax benefits have been / would be met with; and
    - the revenue authorities / courts will concur with the views expressed herein.

    We assume no obligation to update the Annexure on any events subsequent to this date, which may have a material effect on the discussions herein.

4. The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

5. This statement is prepared solely for inclusion in the Placement Document (PD)in connection with proposed offering of equity shares of face value Rs 5 each by the Company in a Qualified Institutions Placement in

accordance with the provisions of Chapter Vl of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBl ICDR Regulations") filed by the Company with the National Stock Exchange of India Limited, BSE Limited and the Securities and Exchange Board of India ("SEBI"), as amended and is not to be used, referred to or distributed for any other purpose.

For **M.C. Bhandari & Co.**

Chartered Accountants

ICAI Firm Registration Number: 303002E

Per Rabindra Bhandari

Partner
Membership No. 097466
UDIN: 21097466AAAAAU6366

Date: February 15, 2021

Place: New Delhi

ANNEXURE TO THE STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Under the Income Tax Act, 1961 (herein after referred to as 'the Act'), as amended by the Finance Act, 2020, applicable for the Financial Year ('FY') 2020-21 relevant to Assessment Year ('AY') 2021-22[1]. The changes proposed in Finance Bill 2021 presented in parliament on 1st February 2021 being not passed by both houses of parliament and have not got assent of the Honorable President of India have not been included here.

The information provided below sets out the possible tax benefits available to the Company and its Shareholders under the Act presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

You should consult your own tax advisors concerning the Indian tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE ACT

1.1 No Special Tax benefits available to the Company

2. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE ACT

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

2.1 Benefit of lower rate of tax under Section 115BAA of the Act and corresponding exemption from applicability of Minimum Alternate tax ('MAT') provisions under section 115JB of the Act As perThe Taxation Law (Amendment) Act, 2019 No.46 of 2019, a new section 115BAA has been introduced in the Act which provides for an option to domestic companies to opt for reduced rate of corporate taxes subject to certain conditions specified therein. The said section provides that, with effect from financial year 2019-20, all domestic companies shall have an option to pay incometax at the rate of 22% (plus 10% surcharge and 4% cess), subject to the condition that they will notavail specified tax exemptions or incentives as specified in sub-clause 2(i) of section 115BAA of the Act Proviso to section 115BAA(4) provides that once the Company opts for paying pay tax as per section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or anyother previous year.

The Company has already exercised the above option to avail benefit of lower tax rate with effect from FY 2019-20.

2.2 Benefits on distributed income

2.2.1 Section 10(34) of the Act – Income by way of dividends referred to in section 115-O

As per amendment vide Finance Act, 2020 with effect from 1 April 2020, dividend income is taxable in the hands of shareholders at the applicable rates and the domestic company or specifiedcompany or mutual funds is not required to pay dividend distribution tax.

Deduction of interest expense can be claimed against such dividend income under section 57 of theAct. However, such deduction is restricted to 20 per cent of dividend received.

Further, deduction of dividend distributed by the Company to its shareholders is also allowed as deduction under section 80M of the Act against dividend income received by it.

Section 10(34A) of the Act - Income from buy back of shares

Income arising to the Company, on account of buy back of shares by a company as referred to in section 115QA of the Act will be exempt from tax under section 10(34A) of the Act. In such cases,the company buying back the shares is liable to pay additional tax at the rate of 20% (plus applicable surcharge and cess) on distributed income being difference between consideration paid by the company on buy back of shares and the amount received by the company for issue of shares, determined in the manner as may be prescribed.

In view of the provisions of section 14A of the Act, any expenditure incurred in relation to earningsuch exempt income shall not be tax deductible.

2.3 Benefits while computing Profits and Gains of Business or Profession

2.3.1 Section 36(1)(vii) of the Act – Allowance of bad debts written off

Under section 36(1)(vii), any bad debt or part thereof which has been written off as irrecoverable in the books of accounts is allowable as a deduction for computing the income under the head "Profits and gains of business or profession", subject to the fulfilment of the conditions as specifiedin section 36(2) read with section 36(1)(vii) of the Act.

The Company shall continue to be entitled for this deduction even if it opts for the benefit of lowerrate of tax under section 115BAA of the Act as discussed at para 2.1 above.

2.3.2 Section 80JJAA – Deduction of additional employee cost

The Company is eligible to claim an additional deduction of 30 per cent of additional employee cost incurred in the previous year, for three consecutive assessment years. This deduction is subjectto the satisfaction of prescribed conditions under section 80JJAA of the Act while computing totalincome of the Company.

The Company shall continue to be entitled for this deduction even if it opts for the benefit of lowerrate of tax under section 115BAA of the Act as discussed at para 2.1 above.

2.3.3 Section 35D- Amortisation of certain preliminary expenses

The Company will be entitled to amortise certain preliminary expenditure, specified under section 35D(2) of the Act, subject to the limit specified in Section 35D(3) of the Act. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the business commences.

2.3.4 Section 32 Depreciation

The depreciation rates in respect of Motor Cars, Plant and Machinery and Office Equipment is 15%, furniture & fittings and Electrical Equipment is 10%, Intangible assets is 25%, Computers 40%, Buildings (Residential) is 5% and Buildings (Others) is 10%.

2.4 Capital gains

2.4.1 Taxability of long-term capital gains under section 112A of the Act

As per section 2(42A) of the Act, a security (other than a unit) listed on a recognised stock exchangein India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond will be considered short term capital asset, if the period of holding of such share, unit or security is twelve (12) months or less. If such security is held for a period of more than 12 months,the same will be considered as long-term capital asset.

Section 112A of the Act provides for taxability of long term capital gains (exceeding Rs. 1,00,000)from equity shares, equity oriented mutual fund units and units of a business trust, if Securities Transaction

Tax ('STT') has been paid on both acquisition and transfer in case of equity shares andSTT has been paid on transfer in case of units of equity-oriented mutual funds or units of businesstrust.

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares whichshall be exempt from the condition of payment of STT:
(a) share acquisitions undertaken prior to October 1, 2004
(b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

To arrive at the amount of Capital Gains, section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of the aforesaid capital assets referred to in section 112A, from the sale consideration. For the purpose of computingthe long-term capital gains taxable under section 112A, the Company shall not be entitled for benefit of indexation under the second proviso to section 48 of the Act.

Separately, section 55(2)(ac) provides that cost of acquisition of the specified capital asset (referredto in the aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –
(a) Cost of acquisition of asset; and
(b) Lower of –
a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and
b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest pricequoted on a recognised stock exchange on 31 January 2018.

The long-term capital gains computed as above under section 112A shall be taxable at the concessional rate of 10% (plus applicable surcharge and cess).

2.4.2 Taxability of short-term capital gains under section 111A of the Act

As per the provisions of section 111A of the Act, any income arising from transfer of a short termcapital asset being an equity share in a company or a unit of an equity oriented fund or a unit of aneligible business trust, transacted through a recognized stock exchange and subject to STT, shall betaxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

The requirement of chargeability to STT is not applicable to transactions undertaken on arecognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

2.4.3 Taxability of capital gains (other than the gains covered above in para 2.4.1 and 2.4.2)

Shares of a company (other than those listed on a recognised stock exchange) and immovable property being land or building or both will be considered short term capital assets, if the period ofholding of such shares, land or building or both is twenty four (24) months or less. A zero-couponbond will be considered short term capital asset, if the period of holding is twelve (12) months or less.

In respect of all other capital assets, the same shall be considered as short-term capital asset if theyare held for a period of thirty six (36) months or less.

In case the capital assets are held for more than the respective periods specified above, the same will be considered as long-term capital asset.

Section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration, to arrive at the amount of Capital Gains. However, in respect of long term capital gains, section 48 provides for substitution of cost of acquisition/ improvement with indexed cost of acquisition/ improvement,which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from timeto time. Such indexation benefit would not be available on bonds and debentures.

As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of listed securities (other than those covered under section 112A) and Zero-Coupon Bonds shall be the lower of the following:
a. 20% (plus applicable surcharge and cess) with indexation benefit; or
b. 10% (plus applicable surcharge and cess) without indexation benefit.

The short-term capital gains are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

2.5 Set-off of capital loss

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequenteight assessment years.

As per section 70 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

As per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year

2.6 Income from House property

Under Section 24 of Income Tax Act a sum equal to 30% of the Annual Value is allowed as Standard Deduction. This 30% is allowed as deduction irrespective of actual expenditure.

2.7 Section 115-O of the Act - Tax on distributed profits of domestic companies

Finance Act 2020, with effect from AY 2021-22 has abolished dividend distribution tax under section 115-O of the Act on distribution of dividend. Such dividend is taxable in the hands of the shareholders.

3. GENERAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

The following tax benefits are generally available to the shareholders of all companies subject to the fulfilment of the conditions specified in the Act:

3.1.1 For resident shareholders:

As per amendment vide Finance Act, 2020 with effect from 1 April 2020, dividend income is taxable in the hands of shareholders at the applicable rates and the domestic company or specifiedcompany or mutual funds is not required to pay dividend distribution tax.

Deduction of interest expense can be claimed against such dividend income under section 57 of theAct. However, such deduction is restricted to 20 per cent of dividend received.

Further, as per the Finance Act, 2020, that the company shall be liable to withhold taxes @ 10% on dividend exceeding Rs 5,000 in a financial year paid by any mode other than cash to resident shareholders.

Income arising from transfer of shares of the company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess)on long term capital gains (exceeding Rs. 1,00,000) from of equity shares, if STT has been paid onboth acquisition and transfer in case of equity shares.

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares whichshall be exempt from the condition of payment of STT:

(a) share acquisitions undertaken prior to October 1, 2004

(b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 55(2)(ac) of the Act, cost of acquisition of equity shares (referred in aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –

(a) Cost of acquisition of asset; and

(b) Lower of –

a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and

b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on 31 January 2018.

As per section 112 of the Act, the long-term capital gains arising to the shareholders of the Company from the transfer of shares of the Company held as investments, not covered under point 3.1.3 above, shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) of the capital gains computed after indexing the cost of acquisition/ improvement or at the rate of 10% (plus applicable surcharge and cess) of the capital gains computed before indexing the cost of acquisition/ improvement,whichever is lower.

In case of an individual or Hindu Undivided Family (HUF), where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subjected to such tax in accordance with the proviso to section 112A(1) and proviso section 112(1) of the Act.

Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at therate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act if suchtransaction is chargeable to securities transaction tax. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International FinancialServices Centre and where the consideration for such transactions is payable in foreign currency.

In case of an individual or HUF, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the Act.

In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in section 54F of the Act, long term capital gains arising on transfer of the shares of the company shall be exempt from capital gains under section 54F, if the net sale consideration is utilised, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years. If the whole ofthe net sale consideration is not so utilised, the exemption shall be allowed on a pro rata basis.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shallbe carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years.

As per section 70 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set- off against long term capital gains arising during subsequent eight assessment years.

As per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set- off against income under any other heads for the same year.

Where the gains arising on the transfer of shares of the Company are included in the business income ofan assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act. The characterisation of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the natureof holding in the hands of the shareholder and various other factors.

3.1.2 For non-resident shareholders including Foreign Portfolio Investors ('FPIs')/ Foreign Institutional Investors ('FIIs')

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Agreement for Avoidance of Double Taxation ('AADT') between India and the country of tax residence of the non-resident or the provisions of the Act, to the extent they are more beneficial to the non-resident.

As per amendment vide Finance Act, 2020 with effect from 1 April 2020, dividend income is taxable inthe hands of shareholders at the applicable rates and the domestic company or specified company or mutual funds is not required to pay dividend distribution tax.

Deduction of interest expense can be claimed against such dividend income under section 57 of the Act.However, such deduction is restricted to 20 per cent of dividend received.

Further, as per the Finance Act, 2020, that the company shall be liable to withhold taxes at applicable rates on dividend paid to non-resident shareholders.

Income arising from transfer of shares of the company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. Assets not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) from of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares.

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the CentralGovernment has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:
(a) share acquisitions undertaken prior to October 1, 2004
(b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 55(2)(ac) of the Act, cost of acquisition of equity shares (referred in aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –
(a) Cost of acquisition of asset; and
(b) Lower of –
  a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and
  b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on 31 January 2018.

The long-term capital gains arising to the shareholders of the Company from the transfer of equity shares of the Company held as investments, not covered above shall be taxable as follows:
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- Where the equity shares of the Company are acquired in convertible foreign exchange, the same shall be taxable at the rate of 10% on the amount of capital gains computed as stated in the below paras;

- Where the equity shares of the Company are acquired in INR, the same shall be taxable at the rate of 20% (plus applicable surcharge and cess) on the amount of capital gains computed after considering the indexation benefit provided under second proviso to section 48 or at the rate of10% on the amount of capital gains computed before indexing the cost of acquisition/ improvement, whichever is lower.

In accordance with, and subject to section 48 of the Act read with Rule 115A of the Income Tax Rules, 1962 ('Rules') capital gains arising on transfer of shares of the Company which are acquired in convertible foreign exchange and not covered above shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received oraccruing as a result of the transfer into the same foreign currency as was initially utilised in the purchaseof shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect ofcapital gains accruing/ arising from every reinvestment thereafter.

Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at therate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act if suchtransaction is chargeable to STT. The requirement of chargeability to STT is not applicable to certain transactions specified in second proviso to Section 111A.

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shallbe carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years.

As per section 70 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set- off against long term capital gains arising during subsequent eight assessment years.

As per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set- off against income under any other heads for the same year.

Where the gains arising on the transfer of shares of the Company are included in the business income ofan assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expensefrom business income as per the provisions of section 36(1)(xv) of the Act.

As per Explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant AADT, or the foreign company is a resident of a country which does not have a AADT with India and such foreign company is not required to seek registration under section 592 of the CompaniesAct 1956 or section 380 of the Companies Act 2013.

In respect of foreign companies which are not exempt from MAT provisions, capital gains (whether longterm or short term) arising on transactions in securities will need to be adjusted / reduced (if such incomeis credited to Profit and Loss account and tax payable on such capital gains income under normal provisions is less than the MAT rate of 15%) from the book profits while computing MAT under section115JB of the Act. Consequently, corresponding expenses shall also be excluded while computing MAT.

3.1.3 Specific Provisions Applicable to FPIs and FIIs:

As per section 2(14) of the Act, transfer of any shares/ securities by FPIs/ FII being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shallbe treated as Capital assets.

As per section 196D(2) of the Act, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares referred to in section 115AD of the Act, payable to FIIs.

However, ss per the amended provisions of section 115AD of the Act, the long-term capital gains to an FPI/ FII arising from transfer of long term capital asset referred to in section 112A of the Act shall be liable to tax at the rate of 10% on such income exceeding Rs. 1,00,000.

Under section 115AD(1)(ii) of the Act, income by way of short term capital gains arising to the FPI/ FIIon transfer of shares of the Company shall be chargeable at a rate of 30% (plus applicable surcharge andcess) where such transactions are not subjected to STT and at the rate of 15% (plus applicable surchargeand cess) if such transaction of sale is entered on a recognised stock exchange in India and is chargeableto STT.

Under section 115AD(1)(iii) of the Act income by way of long term capital gains arising to an FPI/ FII from the transfer of shares held in the Company (other than those taxable under section 112A of the Act)shall be taxable at the rate of 10% (plus applicable surcharge and cess). The benefits of foreign currencyfluctuations and of indexation of cost as per first and second proviso to section 48 of the Act are not available to FPIs/ FIIs.

3.1.4 For non-resident shareholders being Non-Resident Indians (NRIs)

Besides the above benefits available to non-residents, NRIs have the option of being governed by the provisions of Chapter XII-A of the Act which inter alia entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreignexchange:

c) Under section 115E of the Act, NRIs will be taxed at 10% (plus applicable surcharge and cess) on long-term capital gains arising on sale of shares of the Company which are acquired in convertible foreign exchange.

d) Under section 115F of the Act, and subject to the conditions and to the extent specified therein, long-term capital gains arising to NRIs from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within 6 months of the date of transfer of the asset in any specified asset or in any saving certificates referredto in clause (4B) of section 10 of the Act. In case the whole of the net consideration is not so invested, the exemption shall be allowed on a pro rata basis.

e) In accordance with the provisions of section 115G of the Act, NRIs are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investmentsor long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

f) In accordance with the provisions of section 115H of the Act, when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with theirreturn of income for that year under section 139 of the Act to the effect that the provisions of ChapterXII-A shall continue to apply to them in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are transferred or converted into money.

g) As per the provisions of section 115-I of the Act, NRIs may elect not to be governed by the provisions of Chapter XIIA for any assessment year by furnishing their return of income for that year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to them for that assessment year and accordingly their total income for that assessment year will be computed in accordance with the other provisions of the Act. The said Chapter, inter alia, entitles NRIs to the benefits stated thereunder in respect of income from shares of an Indian company acquired, purchased or subscribed in convertible foreign exchange.

3.1.5 For shareholders who are Mutual Funds:

Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

As per section 196 of the Act, no tax is to be deducted from any income payable to a Mutual Fund specified under section 10(23D) of the Act.

3.1.6 For Venture Capital Companies/ Funds:

Under Section 10(23FB) of the Act, any income of Venture Capital Company to whom the certificate ofregistration is granted under SEBI (Venture Capital Funds) Regulations, 1996 before 21 May 2012 or asa sub-category I Alternative Investment Fund and is regulated under SEBI (Alternative Investment Funds Regulations) 2012, under the SEBI Act, 1992, from a Venture Capital Undertaking would be exempt from income tax, subject to conditions specified therein.

As per Section 115U of the Act, any income derived by a person from his investment in Venture Capital Company/ Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Venture Capital Undertaking.

3.1.7 For Investment Funds:

Income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration is granted under and is regulated under SEBI (Alternative Investment Funds Regulations), 2012 as Category I or Category II Alternate Investment Fund, other than the income chargeable under the head ‘profits and gains of business and profession’, shall be exempt from tax under 10(23FBA).

As per Section 115UB of the Act, any income derived by a person from his investment in an Investment Fund covered under section 10(23FBA), other than that proportion which is of the same nature as ‘profitsand gains of business and profession’, would be taxable in the hands of the person making such investment in the same manner as if it were the income accruing or arising to or received by such personhad the investments made by the Investment Fund been made directly by him.

4. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER THE ACT

4.1 No Special Tax benefits available to the Shareholders

5. OTHER PROVISIONS

No income tax is deductible at source from income by way of capital gains arising to a resident shareholder under the present provisions of the Act. However, as per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the AADT, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities. However, the non- resident investor will have to furnish acertificate of his being a tax resident in a country outside India and a suitable declaration for not having a fixed base/ permanent establishment in India, to get the benefit of the applicable AADT and such other document as may be prescribed as per the provision of section 90(4) of Act.

Pursuant to amendment in section 206AA of the Act read with Rule 37BC of Rules, requirement of quoting permanent account number (PAN) in case of certain specified income is eliminated by maintaining specifieddocuments as mentioned in the said Rule.

Notes:

4. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

5. The above statement covers only certain relevant direct tax law benefits and does not cover any indirecttax law benefits or benefit under any other law.

6. The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2019-20 and accordingly,the special direct tax benefits, available for Financial Year 2020-21, are captured to the extent the same are relevant to a Company exercising such option.

7. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

8. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

9. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subjectto any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered intobetween India and the country in which the non-resident has fiscal domicile.

10. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changesfrom time to time. We do not assume responsibility to update the views consequent to such change.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

*The following is a general description of certain material United States federal income tax consequences to U.S. Holders and Non-U.S. Holders under present law of an investment in the Equity Shares. This summary applies only to investors that hold the Equity Shares as capital assets (generally, property held for investment). This discussion is based on the tax laws of the United States as in effect on the date of this Placement Document; U.S. Treasury regulations in effect as of the date of this Placement Document; judicial and administrative interpretations thereof available on or before such date; and the Convention Between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**US India Treaty**"). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.*

The following discussion does not address alternative minimum tax considerations or state, local, non-United States or other tax laws, or the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- certain financial institutions;
- insurance companies;
- dealers in stocks, securities, currencies or notional principal contracts;
- U.S. expatriates and former long-term residents of the United States;
- regulated investment companies and real estate investment trusts;
- tax-exempt entities, including companies classified as foreign governments for U.S. federal income tax purposes;
- U.S. Holders that have a functional currency other than the U.S. dollar;
- persons holding an Equity Share as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the Company's voting stock;
- persons who acquired Equity Shares pursuant to the exercise of any employee share option or otherwise as consideration; or
- persons holding Equity Shares through partnerships or other pass-through entities.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of Equity Shares that is for United States federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to United States federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions of the trust, or (2) has a valid election in effect under the applicable U.S. Treasury regulations to be treated as a U.S. person.

A "**Non-U.S. Holder**" is a beneficial owner of Equity Shares that is not a U.S. Holder.

If you are a partner in a partnership, or other entity taxable as a partnership for United States federal income tax purposes, that holds Equity Shares, your tax treatment generally will depend on your status and the activities of the partnership. Prospective purchasers of Equity Shares that are partnerships should consult their tax advisors.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE UNITED STATES FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE AND LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF EQUITY SHARES.

U.S. Holders

Taxation of Distributions on the Equity Shares

Subject to the PFIC rules discussed below, the gross amount of distributions to you with respect to the Equity Shares generally will be included in your gross income in the year received as foreign source ordinary dividend income, but only to the extent that the distribution is paid out of the Company's current or accumulated earnings and profits (as determined under United States federal income tax principles). To the extent that the amount of the distribution exceeds the Company's current and accumulated earnings and profits, it will be treated first as a tax-free return of your tax basis in your Equity Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. However, the Company does not intend to calculate its earnings and profits under United States federal income tax principles. Therefore, a U.S. Holder should expect that a distribution will generally be treated as a dividend. The dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

Subject to applicable limitations, with respect to non-corporate U.S. Holders (including individual U.S. Holders), dividends may constitute "qualified dividend income" that is taxed at the lower applicable capital gains rate provided that (1) the Company is not a PFIC (as discussed below) for either the taxable year in which the dividend is paid or the preceding taxable year, (2) such dividend is paid on Equity Shares that have been held by you for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date, and (3) the Company is eligible for the benefits of the US India Treaty. The Company expects to be eligible for the benefits of the US India Treaty. Further, the Company does not believe it was a PFIC for the taxable year ending March 31, 2020 and does not expect to be a PFIC for the current year or any future years. *Non-corporate U.S. Holders are strongly urged to consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to the Equity Shares.*

The amount of any distribution paid by the Company in a currency other than U.S. dollars (a "**foreign currency**") will be equal to the U.S. dollar value of such foreign currency on the date such distribution is received by the U.S. Holder, regardless of whether the payment is in fact converted into U.S. dollars at that time. If the foreign currency so received is converted into U.S. dollars on the date of receipt, a U.S. Holder generally will not recognize foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Gain or loss, if any, realized on the subsequent sale or other disposition of such foreign currency will generally be U.S. source ordinary income or loss. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

For foreign tax credit purposes, dividends distributed with respect to the Equity Shares will generally constitute "passive category income". A U.S. Holder will not be able to claim a U.S. foreign tax credit for Indian taxes for which the Company is liable and must pay with respect to distributions on the Equity Shares. *The rules relating to the determination of the U.S. foreign tax credit are complex and U.S. Holders should consult their tax advisors to determine whether and to what extent a credit would be available in their particular circumstances.*

Taxation of a Disposition of Equity Shares

Subject to the PFIC rules discussed below, you generally will recognize capital gain or loss on any sale or other taxable disposition of an Equity Share equal to the difference between the U.S. dollar value of the amount realized for the Equity Share and your tax basis (in U.S. dollars) in the Equity Share. If you are a non-corporate U.S. Holder (including an individual U.S. Holder) who has held the Equity Share for more than one year, capital gain on a disposition of an Equity Share generally will be eligible for reduced U.S. federal income tax rates. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

Because gains on a disposition of an Equity Share generally will be treated as U.S. source, the use of foreign tax credits relating to any Indian income tax imposed upon gains in respect of Equity Shares may be limited. U.S. Holders should consult their tax advisors regarding the application of Indian taxes to a disposition of an Equity Share and their ability to credit an Indian tax against their United States federal income tax liability.

A U.S. Holder that receives foreign currency from the sale or disposition of the Equity Shares generally will realize an amount equal to the U.S. dollar value of such foreign currency on the date of sale or disposition or, if such U.S. Holder is a cash basis or electing accrual basis taxpayer and the Equity Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. If the Equity Shares are so treated and the foreign currency received is converted into U.S. dollars on the settlement date, a cash basis or electing accrual basis U.S. Holder will not recognize foreign currency gain or loss on the conversion. If the foreign currency received is not converted into U.S. dollars on the settlement date, the U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the settlement date. Gain or loss, if any, realized on the subsequent conversion or other disposition of such foreign currency will generally be U.S. source ordinary income or loss.

Medicare Tax

Certain U.S. Holders who are individuals, estates, or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder's "net investment income" or "undistributed net investment income" in the case of an estate or trust, which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Equity Shares, subject to certain limitations and exceptions. The 3.8% Medicare surtax is determined in a different manner than the regular U.S. income tax. *Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the Equity Shares.*

Information with Respect to Foreign Financial Assets

Individuals and certain entities who are U.S. Holders that own "specified foreign financial assets", including stock of a non-U.S. corporation not held through a financial institution, with an aggregate value in excess of certain dollar thresholds may be required to file an information report with respect to such assets on IRS Form 8938 with their United States federal income tax returns. Penalties apply for failure to properly complete and file IRS Form 8938. *U.S. Holders are encouraged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Equity Shares.*

Passive Foreign Investment Company

Certain U.S. federal income tax rules generally apply to a U.S. person that owns or disposes of stock in a non-U.S. corporation that is treated as a PFIC. A non-U.S. corporation is considered to be a passive foreign investment company, or a PFIC, for any taxable year if either:

- at least 75% of its gross income is passive income, or
- at least 50% of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income.

Passive income for these purposes generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. The Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Although not free from doubt, the Company does not believe it was a PFIC for its taxable year ending March 31, 2020, and does not expect to be a PFIC for the current year or any future years. However, the determination of whether the Company is a PFIC is a factual determination made annually after the end of each taxable year, and there can be no assurance that the Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of the Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Furthermore, the Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

Prospective purchasers are urged to consult their tax advisors regarding the Company's possible status as a PFIC.

If the Company is a PFIC for any taxable year during which you are a U.S. Holder of Equity Shares, you will be subject to special tax rules with respect to any "excess distribution" that you receive and any gain you realize from a sale or other disposition (including a pledge) of the Equity Shares, unless you make a "mark-to-market" election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the Equity Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Equity Shares,

- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which the Company became a PFIC, will be treated as ordinary income, and

- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Equity Shares cannot be treated as capital, even if you hold the Equity Shares as capital assets.

If the Company is a PFIC for any year during which you are a U.S. Holder of Equity Shares, the Company generally will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold Equity Shares, regardless of whether the Company in fact continues to meet the income or asset test described above.

In addition, if the Company is treated as a PFIC, to the extent any of its direct or indirect subsidiaries (if any) are also PFICs, you may be deemed to own shares in such subsidiaries (if any) and you may be subject to the adverse PFIC tax consequences with respect to the shares of such subsidiaries (if any) that you would be deemed to own.

Qualified electing fund election

To mitigate the application of the PFIC rules discussed above, a U.S. Holder may make an election to treat the Company as a qualified electing fund ("**QEF**") for U.S. federal income tax purposes. To make a QEF election, the Company must provide U.S. Holders with information compiled according to U.S. federal income tax principles. The Company does not currently intend to prepare or provide the information that would enable you to make a QEF election.

Mark-to-market election

A U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to such stock to elect out of the tax treatment discussed above, although it is possible the mark-to-market election may not apply or be available with respect to the shares in the Company's subsidiaries (if any) to the extent they are PFICs that you may be deemed to own if the Company is treated as a PFIC, as discussed above. If you make a valid mark-to-market election for the Equity Shares, you will include in income each year an amount equal to the excess, if any, of the fair market value of the Equity Shares as of the close of your taxable year over your adjusted basis in such Equity Shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the Equity Shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the Equity Shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Equity Shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to market loss on the Equity Shares, as well as to any loss realized on the actual sale or disposition of the Equity Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Equity Shares. Your basis in the Equity Shares will be adjusted to reflect any such income or loss amounts. If you make such an election, the tax rules that apply to distributions by corporations that are not PFICs generally would apply to distributions by the Company, except that the lower applicable capital gains rate with respect to qualified dividend income (discussed above) would not apply.

The mark-to-market election is available only for "marketable stock", which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in the applicable U.S. Treasury regulations. Under applicable U.S. Treasury regulations, a "qualified exchange" includes a foreign exchange that is regulated by a governmental authority in the jurisdiction in which the exchange is located and in respect of which certain other requirements are met. *U.S. Holders of Equity Shares should consult their own tax advisors as to whether the Equity Shares would qualify for the mark-to-market election.*

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISOR REGARDING THE APPLICATION OF THE PFIC RULES TO THEIR INVESTMENT IN EQUITY SHARES, AND THE AVAILABILITY AND ADVISABILITY OF ANY ELECTIONS.

Non-U.S. Holders

A Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any distributions made on the Equity Shares or gain from the sale, redemption or other disposition of the Equity Shares unless: (i) that distribution and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the United States; or (ii) in the case of any gain realized on the sale or exchange of an Equity Share by an individual Non-U.S. Holder, that Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

Information Reporting and Backup Withholding

Dividend payments with respect to Equity Shares and proceeds from the sale, exchange or redemption of Equity Shares may be subject to information reporting to the Internal Revenue Service and possible U.S. backup withholding under certain circumstances.

Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certifications or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on Internal Revenue Service Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

U.S. Holders that hold Equity Shares in any year in which the Company is a PFIC, will be required to file Internal Revenue Service Form 8621 with respect to their ownership of the Equity Shares. This filing requirement is in addition to a U.S. Holder's obligation to file other Internal Revenue Service forms with respect to our common shares, including Form 8938. In addition, U.S. Holders may be required to file additional information with respect to their ownership of the Equity Shares.

LEGAL PROCEEDINGS

We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are in the nature of, amongst others, civil suits, criminal proceedings, tax proceedings, land and labour disputes.

As on the date of this Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations. Solely for the purpose of the Issue, in accordance with the resolution passed by the QIP Committee on February 15, 2021, the following legal proceedings have additionally been disclosed in this section: (i) all outstanding criminal proceedings against our Company and / or our Subsidiaries; (ii) all outstanding actions by statutory or regulatory authorities involving our Company and / or our Subsidiaries; (iii) all claims related to direct and indirect taxes involving our Company and / or our Subsidiaries in a consolidated manner, giving the number of cases and total amount and cases wherein the amount involved is equivalent or above ₹ 47.94 million, which is 0.50% of profit after tax of our Company on consolidated basis for Fiscal 2020; (iv) all outstanding civil proceedings involving our Company and / or our Subsidiaries, which involve an amount equivalent to or above ₹ 47.94 million, which is 0.50% of profit after tax of our Company on consolidated basis for Fiscal 2020; (v) any other civil proceedings involving our Company and / or our Subsidiaries wherein a monetary liability is not determinable or quantifiable, or which does not exceed the threshold as specified in (iv) above, which if results in an adverse outcome would have a material adverse effect on the financial position, business, operations, prospects or reputation of our Company; and (vi) all outstanding litigation involving our Directors, which, if result in an adverse outcome, would materially and adversely affect the financial position, business, operations, prospects or reputation of our Company.

Further, as on the date of this Placement Document, other than as disclosed in this section: (i) there is no litigation or regulatory action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 in the last three years immediately preceding the year of this Placement Document involving our Company and our Subsidiaries, and further, there were no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document for our Company and our Subsidiaries; (iii) there are no defaults by our Company in the repayment of statutory dues, dues payable to holders of any debentures and interest thereon, in respect of deposits and interests thereon, or in repayment of any loan obtained from any bank or financial institution and interest thereon, as of the date of this Placement Document; (iv) there are no material frauds committed against our Company in the last three Fiscal years; (v) there are no defaults in the annual filings of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; and (vii) there are no reservations, qualifications or adverse remarks of our auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Placement Document.

A. *Litigation involving our Company*

<u>Litigation against our Company</u>

Civil proceedings

Criminal proceedings

1. A complaint was filed by B. Braun Medical (India) Private Limited and others ("**Complaint**") in 2014 before the Sessions Court, Partiala House, New Delhi against our Company and our director, Mr. Rishi Baid ("**Defendant**"), on the allegation that the Defendants made false and misleading statements, willfully concealed facts to register a patent for a certain type of catheter. It was also alleged that the Defendants criminally conspired against the Complainant in registering the said patent and caused wrongful losses to the Complainant. The matter is currently pending.

2. An application was filed by Maruti Engineering Industries ("**Complaint**") before the Debt Recovery Tribunal, Chandigarh II against the officer of Bank of Baroda. The application was filed against the

notice of sale and subsequent sale of property in Faridabad in August 2020 ("**Disputed Property**"). As our Company had won the bid in the auction conducted by the Bank of Baroda in October 2020 and subsequently completed the purchase of the Disputed Property, we were impleaded as a party to the matter in October 2020. The Complainant has sought to set aside the notice of sale and the subsequent auction by which our Company acquired the Disputed Property. The matter pending is currently pending for final hearing.

Actions by statutory or regulatory authorities

1. A complaint was filed by D.C. Shaikh, Drugs Inspector in 2012 under section 18(c), 27(b)(ii) read with section 34(2) of the Drugs and Cosmetics Act, 1940 before the Chief Judicial Magistrate, Alibag Raigad, against our Company and in addition, the Drugs Inspector also passed an order dated June 21, 2012 alleging that the Company was (a) manufacturing, selling and distributing a particular type of catheter without the requisite license, and (b) the type of catheter was not of standard quality. Aggrieved by the order of the Drug Inspector, our Company filed a writ petition before the High Court of Bombay challenging the order of the Drug Inspector and the circular issued by Drug Controller General of India, Ministry of Health and Welfare dated March 5, 2012 (the "**Circular**") which modified the classification of certain medical devices as "drugs" with retrospective effect thus requiring the registration of such devices which would not have been required but for the issuance of the Circular. The matters are currently pending before the Chief Judicial Magistrate and the High Court of Bombay.

2. A show cause notice was issued to our Company by the National Pharmaceuticals Pricing Authority. It was alleged that our Company, in the year 2014 was overcharging by 20% above the Maximum Retail Price for the Spinal Needle. Our Company was directed to pay ₹ 9.34 million, of which our Company has paid Rs. 1.83 million under protest. Our Company is challenging the imposition of the penalty and final resolution with the National Pharmaceuticals Pricing Authority is pending.

3. A complaint was filed before the Presiding Officer of Industrial Tribunal, Faridabad in by Mr. Shishupal Singh ("**Petitioner**") against our Company claiming reimbursement of medical expenses. The Petitioner met with an accident in the Faridabad factory premise of the Company resulting in permanent disablement. The matter is currently pending.

<u>Litigation by our Company</u>

Criminal proceedings

1. A criminal complaint was filed by our Company before the Judicial Magistrate Faridabad Courts, Faridabad, Haryana against Veena Sachdeva and K.P Singh regarding dishonor of cheque amounting to ₹ 279,139. The matter is currently pending before the court.

2. A criminal complaint was filed by our Company before the Judicial Magistrate Faridabad Courts, Faridabad, Haryana, against Ashwani Grover and M/s Medical Surgical Corporation regarding dishonor of two cheques amounting to ₹ 68,000 and ₹ 66,000. The matter is currently pending before the court.

B. ***Litigation involving our Subsidiaries***

Criminal proceeding

Nil.

Civil proceedings

Nil.

C. ***Tax proceedings involving our Company and our Subsidiaries***

None of our Company or our Subsidiaries are involved in any proceedings relating to direct and indirect taxes and no assessments have been disputed with tax authorities.

D. ***Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years***

There have been no inquiries, inspections or investigations initiated or conducted or prosecutions filed, disposed of or fine imposed or compounding application filed under the Companies Act, 1956 or the Companies Act, 2013, or any previous company law in relation to our Company in the three years immediately preceding the date of this Placement Document

E. ***Inquiries, inspections, or investigations under the Companies Act initiated or conducted in the last three Years***

There have been no inquiries, inspections or investigations initiated or conducted against our Company or our Subsidiaries under the Companies Act, 1956 or the Companies Act, 2013 in the last three years immediately preceding the year of issue of this Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or our Subsidiaries.

F. ***Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company***

There have been no material frauds committed against our Company in the last three years preceding the date of this Placement Document.

G. ***Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon***

As of the date of this Placement Document, there are no outstanding instances of defaults in payment of undisputed or disputed statutory dues by our Company.

H. ***Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder***

As on the date of this Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

I. ***Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations***

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

J. ***Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks***

There are no reservations, qualifications or adverse remarks of our statutory auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Placement Document.

There have been no material frauds committed against our Company in the last three years preceding the date of this Placement Document.

K. ***Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon***

Our Company has no outstanding defaults dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

L. ***Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder***

As on the date of this Placement Document, our Company has not made any default in annual filings of our Company under the Companies Act, 2013 and the rules made thereunder.

M. ***Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations***

There are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

OUR STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013, M. C. Bhandari & Company, Chartered Accountants, were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on September 23, 2019, for a period of five years.

M. C. Bhandari & Company, Chartered Accounts, have performed limited review of the Unaudited Interim Condensed Financial Statements for the nine months ended December 31, 2020 and have issued a review report dated January 27, 2021 thereon, which is included in this Placement Document in "***Financial Information***" on page F-1. M. C. Bhandari & Company, Chartered Accountants, have also audited the Audited Consolidated Financial Statements for Fiscal 2020, audit reports on those financial statements are included in this Placement Document in "***Financial Information***" on page F-99.

M/s. Doogar & Associates, Chartered Accountants, our previous statutory auditors, have audited the Audited Consolidated Financial Statements for Fiscal 2018 and Fiscal 2019 their audit report on those financial statements are included in this Placement Document in "***Financial Information***" on pages F-406 and F-224, respectively.

FINANCIAL INFORMATION

Limited Review Report on Interim Condensed Unaudited IND AS Standalone Financial Statement.

To Board of Directors
Poly Medicure Limited
232-B, IIIrd Floor,
Okhla Industrial Estate, Phase-III,
New Delhi- 110020

We have reviewed the Interim Condensed Unaudited IND AS Standalone Financial Statements of Poly Medicure Limited ("the company") which comprise the condensed balance sheet as at 31st Dec 2020 and the related condensed statement of profit and loss(including other comprehensive income), the condensed statement of cash flow and accompanying condensed statement of changes in equity for the quarter and nine month period ended 31st Dec 2020 and a summary of significant accounting policies and other explanatory information(together hereinafter referred to as the "Interim Condensed Unaudited IND AS Standalone Financial Statements"**.**

The management of the Company is responsible for the preparation and presentation of these Interim Condensed unaudited Ind AS Standalone Financial Statements in accordance with recognition and measurement principles laid down in IND AS 34 'Interim Financial Reporting', and applicable Indian Accounting Standards ("IND-AS") issued by the Institute of Chartered Accountants of India (ICAI) and other recognised accounting practices and policies in India. The Interim Condensed unaudited Ind AS Standalone Financial Statements are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express a conclusion on the Interim Condensed unaudited Ind AS Standalone Financial Statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed unaudited Ind AS Standalone Financial Statements have not been prepared in all material respects in accordance with recognition and measurement principles laid down in IND AS 34 'Interim Financial Reporting' and applicable Indian accounting standards issued by Institute of Chartered Accountants of India (ICAI) and other recognized accounting practices and policies in India..

This report on the Interim Condensed unaudited Ind AS Standalone Financial Statements has been issued solely in connection with proposed QIP placement. Accordingly, this report should not be used, referred to or distributed for any other purpose.

For M C Bhandari & Co.
Chartered Accountants
Firm Registration No. 303002E

Rabindra Bhandari
Partner
Membership No. 097466
UDIN: 21097466AAAAAD6136

Place of signature: New Delhi
Date: 27th Jan. 2021

Poly Medicure Limited
Regd. Office: 232B, 3rd Floor, Okhla Industrial Estate Phase III, New Delhi - 110 020,
www.polymedicure.com, Email: investorcare@polymedicure.com
CIN: L40300DL1995PLC066923

Condensed Interim Unaudited Standalone Balance Sheet as at 31 December 2020

(₹ in lacs)

Particulars	Note No.	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
ASSETS			
1 **Non-current assets**			
(a) Property, plant and equipment	2	35,470.71	30,657.30
(b) Capital work-in-progress		1,570.53	1,669.64
(c) Right of Use Asset		239.78	309.40
(d) Investment Properties	3	454.79	345.91
(e) Intangible assets	2	1,554.56	1,449.50
(f) Intangible assets under development		689.28	788.44
(g) Financial Assets			
(i) Investment in subsidiaries/associates	4	3,979.85	3,979.85
(ii) Other Investments	5	-	222.99
(iii) Other financial assets	7	2,606.58	3,497.31
(h) Other non-current assets	8	1,243.28	1,744.32
Total non-current assets		**47,809.36**	**44,664.66**
2 **Current assets**			
(a) Inventories	9	10,583.81	10,096.42
(b) Financial assets			
(i) Investments	5	4,275.86	1,592.21
(ii) Trade receivables	10	12,839.80	12,044.80
(iii) Cash and cash equivalents	11	563.95	189.46
(iv) Bank balances other than (iii) above	12	1,958.71	2,049.78
(v) Loans	6	38.59	13.71
(vi) Other financial assets	7	262.42	372.81
(c) Other current assets	8	3,433.32	2,971.51
Total current assets		**33,956.46**	**29,330.70**
TOTAL ASSETS		**81,765.82**	**73,995.36**
		10,532.85	
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	4,412.35	4,412.35
(b) Other equity	14	47,775.41	38,516.08
Total equity		**52,187.76**	**42,928.43**
LIABILITIES			
1 **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	15	7,555.73	11,057.41
(ii) Lease Liabilities		230.84	328.32
(iii) Other financial liabilities	16	105.03	103.35
(b) Provisions	17	367.82	291.07
(c) Government Grants		309.34	220.47
(d) Deferred tax liabilities (Net)	18	1,244.86	1,448.92
Total non-current liabilities		**9,813.62**	**13,449.54**
2 **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	19	5,464.27	4,432.75
(ii) Lease Liabilties		125.36	104.02
(iii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		823.59	861.95
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,860.19	5,185.71
(iv)Other financial liabilities	21	6,387.57	5,423.04
(b) Other current liabilities	22	797.06	1,493.05
(c) Provisions	17	43.33	41.97
(d) Current tax liabilities (net)	23	263.07	74.90
Total current liabilities		**19,764.44**	**17,617.39**
TOTAL EQUITY AND LIABILITIES		**81,765.82**	**73,995.36**
Significant accounting policies	a-ab		
The accompanying notes are integral part of the Condensed Interim Unaudited Standalone financial statements.	1 - 42		

As per our limited review report of even date annexed
For **M C Bhandari & Co. (Reg No.303002E)**
Chartered Accountants

Rabindra Bhandari
Partner
Membership No. 097466

Place : New Delhi
Date : 27th January 2021

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN : 00014008

Rishi Baid
Joint Managing Director
DIN : 00048585

J. K. Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited
Regd. Office: 232B, 3rd Floor, Okhla Industrial Estate Phase III, New Delhi - 110 020,
www.polymedicure.com, Email: investorcare@polymedicure.com
CIN: L40300DL1995PLC066923

Condensed Interim Unaudited Standalone Statement of Profit and Loss for the Nine Months Period ended 31 December 2020

(₹ in lacs)

Particulars	Note No.	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
INCOME			
Revenue from operations	24	54,487.38	48,698.74
Other income	25	1,185.71	1,316.57
Total Revenue		**55,673.09**	**50,015.31**
EXPENSES			
Cost of materials consumed	26	17,279.25	15,141.96
Purchases of Stock-in-Trade		218.14	64.82
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	61.46	(212.13)
Excise duty on sale of goods		-	
Employee benefits expense	28	9,587.72	9,570.10
Research and development expenses	29	936.80	846.24
Finance cost	30	988.54	973.99
Depreciation and amortization expense	31	3,410.13	3,019.10
Other expenses	32	10,862.96	11,073.37
Total Expenses		**43,345.00**	**40,477.45**
Profit before tax		**12,328.09**	**9,537.86**
Tax expenses:			
(1) Current tax		3,304.61	2,566.77
(2) Deferred tax		(199.96)	(247.75)
(3) Tax adjustment for earlier years (net)		(13.30)	41.79
Total tax expenses	33	**3,091.35**	**2,360.81**
Profit after tax		**9,236.74**	**7,177.05**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Acturial gains/(losses) of defined benefit plan		(6.25)	(33.75)
Tax impacts on above		1.57	8.49
Other comprehensive income for the year (net of tax)		**(4.68)**	**(25.26)**
Total comprehensive income (Comprising profit after tax and other comprehensive inome/(loss) for the year)		**9,232.06**	**7,151.79**
Earnings per equity share: (Face value ₹ 5 each) in rupees	37		
Basic		**10.47**	**8.13**
Diluted		**10.46**	**8.13**
Significant accounting policies	a-ab		
The accompanying notes are integral part of the Condensed Interim Unaudited Standalone financial statements.	1 - 42		

As per our limited review report of even date annexed
For **M C Bhandari & Co. (Reg No.303002E)**
Chartered Accountants

Rabindra Bhandari
Partner
Membership No. 097466

Place : New Delhi
Date : 27th January 2021

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN : 00014008

Rishi Baid
Joint Managing Director
DIN : 00048585

J. K. Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited
Regd. Office: 232B, 3rd Floor, Okhla Industrial Estate Phase III, New Delhi - 110 020,
www.polymedicure.com, Email: investorcare@polymedicure.com
CIN: L40300DL1995PLC066923

Condensed Interim Unaudited Standalone Statement of Cash Flow for the Nine Months Period ended 31st December 2020

(₹ in Lacs)

	Particulars	Nine months period ended 31 December 2020 (Unaudited) Limited Reviewed	Year ended 31 March 2020 (Audited)
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax and exceptional items	12,328.09	12,178.33
	Adjusted for:		
	Depreciation and amortisation	3,410.13	3,928.43
	Share in Income of Associates		
	Interest expense	988.54	1,765.51
	Dividend/ Governing Council Share	(14.33)	(45.46)
	Interest income	(234.00)	(483.13)
	Loss/(profit) on sale of fixed assets, net	(2.13)	(13.04)
	Debts/advances written off	17.35	30.73
	Provision for doubtful debts and advances	31.89	29.34
	Credit balances no longer required, written back	(0.10)	(53.79)
	Deferred employee compensation expenses (net)	37.23	13.89
	Unrealised foreign exchange (gain) /loss	463.65	(407.66)
	Other Comprehensive Income	(6.25)	38.19
	Ind As Adjustment for Unrealised Gain on Mutual Fund	(193.05)	(64.40)
	Ind As Adjustment on Govt. Grant & Subsidy	(71.36)	(64.65)
	Ind As Adjustment for Interest Income on Financial Assets	(20.70)	(3.82)
	Ind As Adjustment on Forward Contracts (Net)	(228.05)	334.68
	Ind As Adjustment for Deferred Processing fees	24.02	27.68
	Ind As Adjustment for Interest on Security Deposit against Rent	1.94	3.88
	Operating profit before working capital changes	**16,532.87**	**17,214.71**
	Movement in working capital		
	Decrease/(increase) in inventories	(487.39)	(2,684.71)
	Decrease/ (increase) in sundry debtors	(1,260.71)	832.63
	Decrease/(Increase) in financial assets	214.10	(401.35)
	Decrease/(Increase) in other assets	(456.51)	(547.93)
	Increase/ (decrease) in trade payables	785.99	1,026.01
	Increase/ (decrease) in other financial liabilities	191.62	(60.63)
	Increase/ (decrease) in other liabilities	(695.72)	819.82
	Increase/ (decrease) in provisions	78.11	50.30
	Cash generated from operations	**14,902.36**	**16,248.85**
	Direct taxes paid (net of refunds)	(3,103.14)	(3,558.35)
	Net cash from operating activities	**11,799.22**	**12,690.50**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(7,518.77)	(10,441.49)
	Purchase of Investments (net)	(2,267.61)	(1,500.99)
	Proceeds from / (Investment in) Fixed Deposits (net)	1,031.01	818.25
	Proceeds from sale of fixed assets	44.96	34.04
	Dividend/Governing share received	59.79	37.78
	Interest income	261.73	485.41
	Net cash used for investing activities	**(8,388.89)**	**(10,567.00)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings / deferred payment liabilities (net)	(1,951.20)	3,096.04
	Proceeds from Share Allotments	-	5.03
	Share issue expenses to be adjusted againts securities premium	(9.98)	-
	Repayment of Lease Liabilities and Interest thereon	(85.50)	(136.11)
	Dividend and tax thereon Paid	-	(4,247.46)
	Interest / Finance charges paid	(989.16)	(942.68)
	Net cash from (used for) financing activities	**(3,035.84)**	**(2,225.18)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**374.49**	**(101.68)**
	Cash and cash equivalents at the beginning of the year	**189.46**	291.14
	Cash and cash equivalents at the end of the year	**563.95**	**189.46**
	COMPONENTS OF CASH AND CASH EQUIVALENTS		
	Balances with Banks in current account	549.33	113.79
	Cheques, drafts on hand	-	-
	Cash on hand (including foreign currency notes)	14.62	18.29
	Fixed deposits with banks, having original maturity of three months or less	-	57.38
	Cash and cash equivalents at the end of the year	**563.95**	**189.46**

(₹ in lacs)

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES	**As at** Nine months period ended 31 December 2020 (Unaudited) Limited Reviewed	Year ended 31 March 2020 (Audited)
Cash and cash equivalents at the end of the year as per above	**563.95**	189.46
Add: Balance with banks in dividend / unclaimed dividend accounts	30.82	30.55
Add: Fixed deposits with banks, having maturity period for less than twelve months	742.23	2,019.23
Add: Fixed deposits with banks (lien marked)	53.65	1,553.05
Add: Fixed deposits with banks, having maturity period for more than twelve months	2,151.87	1,592.41
Cash and bank balances as per balance sheet (refer note 7, 11 and 12)	**3,542.52**	**5,384.70**

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

(₹ in lacs)

December 31, 2020	**Opening Balance**	**Cash Flow**	**Non Cash Flow Changes**	**Closing Balance**
Short term secured borrowing	**7,903.68**	1,763.32	10.63	**9,677.63**
Long term secured borrowing	**11,057.41**	(3,714.52)	212.84	**7,555.73**
Total liabilities from financing activities	**18,961.09**	**(1,951.20)**	**223.47**	**17,233.36**

March 31, 2020	**Opening Balance**	**Cash Flow**	**Non Cash Flow Changes**	**Closing Balance**
Short term secured borrowing	**5,899.27**	1,741.39	263.02	**7,903.68**
Long term secured borrowing	**9,137.97**	1,354.65	564.79	**11,057.41**
Total liabilities from financing activities	**15,037.24**	**3,096.04**	**827.81**	**18,961.09**

Notes
This is the Cash Flow Statement referred to in our limited review report of even date.
The above Condensed Interim Unaudited Standalone cash Flow statement should be read in conjunction with the accompanying notes

For **M C Bhandari & Co. (Reg No.303002E)**
Chartered Accountants

Rabindra Bhandari
Partner
Membership No. 097466

Place : New Delhi
Date : 27th January 2021

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN : 00048585

J. K. Oswal
CFO

Avinash Chandra
Company Secretary

Condensed Interim Unaudited Standalone Statement of Changes in Equity for the Period ended 31st December 2020

A. Equity share capital

(₹ in Lacs)

Particulars	As at 31-Dec-20	As at 31-Mar-20
At the beginning of the year	4,412.35	4,411.85
Changes in equity share capital during the year	-	0.50
At the end of the year	**4,412.35**	**4,412.35**

B. Other equity

(₹ in Lacs)

Particulars	Reserves and surplus						Other comprehensive income	Total
	Capital Reserve	Securities Premium	Share Based Payment Reserve Account	General Reserve	Retained Earnings	Share issue expense to be adjusted in securities premium	Re-measurement of defined benefit plan	
Balance as at 1 April 2019	**46.98**	**34.67**	**30.15**	**16,134.83**	**17,304.28**	**-**	**15.23**	**33,566.14**
Transitional impact upon initial adoption of Ind As 116 (Refer Note 38)					(79.86)	-		(79.86)
Restated Balance as at 1 April 2019	46.98	34.67	30.15	16,134.83	17,224.42	-	15.23	33,486.28
Profit for the year					9,238.28	-		9,238.28
Securities Premium received during the period		34.68						34.68
Other comprehensive income (net of taxes)							28.58	28.58
Transfer from retained earnings to General reserve				2,500.00	(2,500.00)	-		-
Addition/(deduction) during the period (Net of Lapses)			(16.26)			-		(16.26)
Final Dividend / Dividend tax adjusted					(4,255.46)	-		(4,255.46)
Balance as at 31 March 2020	**46.98**	**69.35**	**13.89**	**18,634.83**	**19,707.24**	**-**	**43.81**	**38,516.08**
Balance as at 1 April 2020	**46.98**	**69.35**	**13.89**	**18,634.83**	**19,707.24**	**-**	**43.81**	**38,516.08**
Profit for the year					9,236.74	-		9,236.74
Securities Premium received during the period		-						-
Other comprehensive income (net of taxes)							(4.68)	(4.68)
Transfer from retained earnings to General reserve				-	-	-		-
Addition/(deduction) during the period (Net of Lapses)			37.24					37.24
Final Dividend / Dividend tax adjusted					-			-
Share issue expenses to be adjusted against securities premium (Net of tax)					-	(9.98)		(9.98)
Balance as at 31 December 2020	**46.98**	**69.35**	**51.13**	**18,634.83**	**28,943.98**	**(9.98)**	**39.13**	**47,775.41**

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 01.04.2019	**1,590.74**	**862.18**	**5,781.66**	**33,591.16**	**462.43**	**704.64**	**900.91**	**43,893.72**	**821.19**	**1,375.26**	**2,196.45**	**46,090.17**
Additions during the year	1,448.50	-	1,061.86	6,013.76	43.61	115.87	148.73	8,832.34	11.74	280.28	292.02	9,124.37
Deductions/Adjustments	-	-	-	358.64	-	34.68	73.77	467.09	16.66	-	16.66	483.75
Gross Carrying Value as on 31.03.2020	**3,039.24**	**862.18**	**6,843.52**	**39,246.28**	**506.04**	**785.83**	**975.87**	**52,258.97**	**816.27**	**1,655.54**	**2,471.81**	**54,730.78**
Accumulated Depreciation as on 01.04.2019	**-**	**59.77**	**1,053.56**	**16,166.39**	**260.40**	**474.61**	**372.43**	**18,387.16**	**368.92**	**480.09**	**849.01**	**19,236.17**
Depreciation for the year	-	9.28	206.29	3,176.52	38.25	94.44	114.89	3,639.67	69.27	120.52	189.79	3,829.46
Deductions/Adjustments				328.87		34.28	62.01	425.16	16.49		16.49	441.65
Accumulated Depreciation as on 31.03.2020	**-**	**69.05**	**1,259.85**	**19,014.04**	**298.65**	**534.77**	**425.31**	**21,601.67**	**421.70**	**600.61**	**1,022.31**	**22,623.98**
Carrying Value as on 31.03.2020	**3,039.24**	**793.13**	**5,583.67**	**20,232.24**	**207.39**	**251.06**	**550.55**	**30,657.30**	**394.57**	**1,054.93**	**1,449.50**	**32,106.80**
Gross Carrying Value as on 01.04.2020	**3,039.24**	**862.18**	**6,843.52**	**39,246.28**	**506.04**	**785.83**	**975.87**	**52,258.97**	**816.27**	**1,655.54**	**2,471.81**	**54,730.78**
Additions during the period	1,065.14	-	1,389.00	5,469.08	22.09	52.66	28.56	8,026.53	7.79	261.54	269.33	8,295.86
Deductions/Adjustments	-	-	-	34.50	-	4.36	37.46	76.32	-	-	-	76.32
Gross Carrying Value as on 31.12.2020	**4,104.38**	**862.18**	**8,232.52**	**44,680.86**	**528.13**	**834.13**	**966.97**	**60,209.18**	**824.06**	**1,917.08**	**2,741.14**	**62,950.32**
Accumulated Depreciation as on 01.04.2020	**-**	**69.05**	**1,259.85**	**19,014.04**	**298.65**	**534.77**	**425.31**	**21,601.67**	**421.70**	**600.61**	**1,022.31**	**22,623.98**
Depreciation for the period	-	6.99	173.90	2,797.93	29.36	74.33	87.79	3,170.30	54.82	109.45	164.27	3,334.57
Deductions/Adjustments				4.99		1.96	26.55	33.50	-		-	33.50
Accumulated Depreciation as on 31.12.2020	**-**	**76.04**	**1,433.75**	**21,806.98**	**328.01**	**607.14**	**486.55**	**24,738.47**	**476.52**	**710.06**	**1,186.58**	**25,925.05**
Carrying Value as on 31.12.2020	**4,104.38**	**786.14**	**6,798.77**	**22,873.88**	**200.12**	**226.99**	**480.42**	**35,470.71**	**347.54**	**1,207.02**	**1,554.56**	**37,025.27**

Notes on Condensed Interim Unaudited Standalone Financial Statement for the Nine Months Period ended December 31, 2020

(₹ in lacs)

3	INVESTMENT PROPERTIES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Gross balance at beginning	372.74	372.74
	Additions during the year	114.95	-
	Disposals / Deductions	-	-
	Depreciation for the year	6.07	6.15
	Accumulated Depreciation	(32.90)	(26.83)
	Net balance at the end of reporting period	**454.79**	**345.91**
	Fair Value	**433.34**	**331.34**

	Amount recognised in Statement of Profit & Loss for Investment Properties	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Rental Income	**5.23**	**7.03**

The investment properties are leased to tenants under short term cancellation lease with rental payable on monthly basis.

Note 1: The investment properties consist of residential properties in india and have been categorised as investment properties based on nature of its uses. There has been no change in the valuation method adopted.

Note 2: The fair value of Investment properties has been determined on the basis of available circle rates of the property of the concerned registration authority and has been categorised in level 3 fair value.

Note 3: The conveyance deed of four (PY one) Investment properties valued at Rs.275.17 Lacs (PY Rs.160.22 Lacs) are yet to be executed in favor of the company.

(₹ in lacs)

		Non-current		Current	
4	INVESTMENT IN SUBSIDIARIES AND ASSOCIATES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	(valued at cost unless stated otherwise)				
	Unquoted equity instruments - fully paid				
	Investment in subsidiaries				
	Poly Medicure (Laiyang) Co. Ltd.China USD 1,100,000 (previous year USD 1,100,000) Membership Interest	472.39	472.39		
	Plan 1 Helath India Pvt Ltd.(9999 Equity share of Rs.10 each)	1.00	1.00		
	Poly Medicure B.V. Netherlands 12,30,000 Shares @ Euro 1 each	3,417.79	3,417.79		
	Investment in associates				
	126,500 (previous Year 96,600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	88.67	88.67		
	Total	**3,979.85**	**3,979.85**	**-**	**-**
	Aggregate amount of Unquoted Investment	3,979.85	3,979.85		
	Aggregate provision for diminuation in the value of Investment	-	-		
	Category wise summary:				
	Financial assets measured at cost (net of provision)	3,979.85	3,979.85		
	Financial assets measured at fair value through profit and loss	-	-		

5	OTHER INVESTMENT	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Investment measured at fair value through profit and loss				
	Unquoted				
	In Fixed Maturity Plans				
	UTI FITF Series XXVII - II (1161 DAYS)	-	222.99	-	-
	In Liquid Mutual Funds				
	Axis Short Term Fund -Regular Growth	-	-	265.86	-
	Axis Strategic Bond Fund-Regular Growth	-	-	567.48	-
	HDFC Medium Term Debt Fund-Regular Plan-Growth	-	-	1,276.02	1,049.03
	HDFC Short Term Debt Fund - Regular Plan -Growth	-	-	517.26	-
	ICICI Prudential Corporate Bond Fund - Growth	-	-	154.77	-
	ICICI Prudential Balance Advantage Fund- Gr	-	-	32.23	23.15
	ICICI Prudential Short Term Fund - Growth Option	-	-	363.16	-
	IDFC Corporate Bond Fund Regular Plan-Growth	-	-	101.00	-
	Kotak Low Duration Fund Standard Growth (Regular plan)	-	-	379.01	260.75
	L&T Triple AceBondRP (G)	-	-	255.02	-
	SBI Magnum Medium Duration Fund Regular Growth	-	-	364.05	-
	Franklin India Savings Fund Retail Option			-	259.28
	Total	**-**	**222.99**	**4,275.86**	**1,592.21**
	Aggregate amount of Unquoted Investment	-	222.99	4,275.86	1,592.21
	Aggregate provision for diminution in the value of Investment	-	-	-	-
	Category wise summary:				
	Financial assets measured at amortised cost (net of provision)	-	-	-	-
	Financial assets measured at fair value through profit and loss	-	222.99	4,275.86	1,592.21

5.1 Investments made by the company other than those with a maturity of less than one year, are intended to be held for long term.

5.2 In absence of the active market and non-availability of quotes on recognised stock exchange, investment in fixed maturity plan and liquid mutual funds are disclosed as unquoted and fair value is assessed based on NAV of respective funds.

6	LOANS	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Considered good- Unsecured:				
	Loans and advances to employees	-	-	38.59	13.71
	Total	**-**	**-**	**38.59**	**13.71**

7	OTHER FINANCIAL ASSETS	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	(Unsecured, considered good, unless stated otherwise)				
	Security Deposits				
	Considered good	269.67	247.46	167.40	105.27
	Considered doubtful	-	-	8.68	8.68
	Less: Provision for doubtful deposits	-	-	(8.68)	(8.68)
	Interest accrued on bank deposits / Advances	131.39	104.39	53.26	107.99
	Dividend / Governing council share from associates	-	-	-	45.46
	Gain on outstanding forward contracts reveivable	-	-	0.45	-
	Other receivable #	-	-	41.31	114.09
	Non-current bank balances (refer note 12)	2,205.52	3,145.46	-	-
	Total	**2,606.58**	**3,497.31**	**262.42**	**372.81**

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	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Balance at the beginning of the year	8.68	9.78
	Movement in the amount of provision (Net)	-	(1.10)
	Balalnce at the end of the year	8.68	8.68

8	OTHER ASSETS	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	(Unsecured, considered good, unless stated otherwise)				
	Capital Advances				
	Considered Good	1,200.83	1,692.39	-	-
	Considered Doubtful	116.38	97.50	-	-
	Less: Provision for doubtful advances	(116.38)	(97.50)	-	-
	Other loans and advances				
	Advance for goods / services				
	Considered Good #			1,007.37	532.56
	Considered Doubtful			3.14	-
	Less: Provision for doubtful advances			(3.14)	-
	Balance with revenue authorities			872.81	1,432.30
	Advance tax/ tax deducted at source (net of provision)	14.27	14.27	-	-
	Prepaid Expenses	28.18	37.66	115.28	295.19
	GST, Excise Duty, Service tax and VAT refundable			728.64	109.10
	Export benefits receivable			709.22	602.36
	Total	**1,243.28**	**1,744.32**	**3,433.32**	**2,971.51**

Includes advance of Rs.Nil (previous year Rs. 11.40 lacs) given to step subsidiary against goods.

8.1	Movement in provison for doubtful advances	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Balance at the beginning of the year	97.50	77.08
	Movement in amount of provision (Net)	22.02	20.42
	Written off of provisions	-	-
	Balance at the end of the year	**119.52**	**97.50**

(₹ in lacs)

9	INVENTORIES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	(Valued at lower of cost and net realisable value)		
	Raw Materials including packing materials	5,734.37	5,151.86
	Goods-in transit	561.95	744.23
	Work-in-progress	1,956.41	1,883.45
	Finished Goods	1,545.16	1,581.74
	Stock-in-trade	78.93	176.78
	Stores and spares	706.99	558.36
	Total	**10,583.81**	**10,096.42**

10	TRADE RECEIVABLES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Considered good- Unsecured	12,839.80	12,044.80
	Considered Doubtful	40.45	30.58
	Less: Provision for Doubtful Debt	(40.45)	(30.58)
	Total	**12,839.80**	**12,044.80**

	Particulars	Outstanding As at end of		Maximum balance outstanding	
		31-Dec-20	31-Mar-20	31-Dec-20	31-Mar-20
	Trade receivable includes:				
	Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	159.84	26.96	1,244.25	553.73
	Due from Plan 1 Health SRL, Italy, being step-subsidiary	127.72	21.51	155.13	21.51
	Due from Ultra For Medical Products (UMIC), being associate company	557.31	495.29	687.61	850.09

	Movement in the provision for doubtful debts	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Balance at the beginning of the year	30.58	29.84
	Addition/(Deletion)	9.87	10.02
	Written off out of Provision		(9.28)
	Balance at the end of the year	**40.45**	**30.58**

The concentration of credit risk is limited due to large and unrelated customer base.

11	CASH AND CASH EQUIVALENTS	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Balances with Banks		
	In current accounts	549.33	113.79
	In deposit accounts, with less than 3 months maturity period	-	57.38
	Cash on hand (including foreign currency notes)	14.62	18.29
	Total	**563.95**	**189.46**

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

(₹ in lacs)

12	OTHER BANK BALANCES	Non-current As at 31 December 2020 (Unaudited) Limited Reviewed	Non-current As at 31 March 2020 (Audited)	Current As at 31 December 2020 (Unaudited) Limited Reviewed	Current As at 31 March 2020 (Audited)
	Unclaimed dividend accounts		-	30.82	30.55
	Held as margin money	53.65	1,553.05	1,185.66	-
	Deposits with more than 3 months but less than 12 months maturity period		-	742.23	2,019.23
	Deposits with more than 12 months maturity period	2,151.87	1,592.41		
	Amount disclosed under the head "other Non Current Financial Assets" (Refer note 7)	(2,205.52)	(3,145.46)		
	Total	**-**	**-**	**1,958.71**	**2,049.78**

13	EQUITY SHARE CAPITAL	As at 31 December 2020		As at 31 March 2020	
		No. of Shares	**₹ in Lacs**	**No. of Shares**	**₹ in Lacs**
	Authorised share Capital				
	Equity Shares of ₹ 5 each	120,000,000	6,000.00	120,000,000	6,000.00
	Issued, subscribed & paid up shares				
	Equity Shares of ₹ 5 each fully paid up	88,246,980	4,412.35	88,246,980	4,412.35
	Total	**88,246,980**	**4,412.35**	**88,246,980**	**4,412.35**

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

	Particulars	As at 31 December 2020		As at 31 March 2020	
		No. of Shares	**₹ in Lacs**	**No. of Shares**	**₹ in Lacs**
	At the beginning of the year	88,246,980	4,412.35	88,236,930	4,411.85
	Add: Issued during the year by way of ESOP	-	-	10,050	0.50
	Outstanding at the end of year	**88,246,980**	**4,412.35**	**88,246,980**	**4,412.35**

13.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 (₹ 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 December 2020		As at 31 March 2020	
		No. of Shares	**% of Holding**	**No. of Shares**	**% of Holding**
	Equity Share of ₹ 5 each (Previous Year ₹ 5 each)				
	M/s Ezekiel Global Business Solutions LLP	12,361,320	14.01%	12,361,320	14.01%
	Mr. Rishi Baid	9,993,048	11.33%	9,993,048	11.33%
	M/s Zetta Matrix Consulting LLP	8,319,660	9.43%	8,319,660	9.43%
	Mr. Himanshu Baid	7,907,624	8.96%	7,907,624	8.96%

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

13.4 During the period ended 31st December 2020 the company have not paid any interim or final dividend.

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

The Company had alloted 4,41,13,440 fully paid-up equity shares of face value ₹ 5 each during the financial year ended 31st March 2017, pursuant to bonus issue approved by the shareholders through postal ballot.

14	OTHER EQUITY	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Capital Reserves		
	Surplus on re-issue of forfeited shares	13.19	13.19
	Application money received on Preferential Warrants issued to promoters forfeited	33.79	33.79
	Closing Balance	**46.98**	**46.98**
	Securities Premium		
	Balance at the beginning of the year	69.35	34.67
	Addition during the year	-	34.68
	Closing Balance	**69.35**	**69.35**
	Share Based Payment Reserve Account		
	Balance at the beginning of the year	13.89	30.15
	Addition/(deletion)during the year (Net of Lapses)	37.24	(16.26)
	Closing Balance	**51.13**	**13.89**
	General Reserve		
	Balance at the beginning of the year	18,634.83	16,134.83
	Add: Transferred from Surplus in Statement of Profit and Loss	-	2,500.00
	Closing Balance	**18,634.83**	**18,634.83**
	Surplus in statement of Profit and Loss		
	Balance at the beginning of the year	19,707.24	17,304.28
	Less:Adjustment on account of initial adoption of Ind AS 116 (Net of deferred tax of Rs.42.89 lacs) Refer Note no 38		(79.86)
	Add: Additions during the year	9,236.74	9,238.28
	Less: Dividend adjusted for previous year	-	(1,764.94)
	Less: Dividend tax adjusted for previous year	-	(362.79)
	Less: Interim Dividend	-	(1,764.94)
	Less: Interim Dividend tax	-	(362.79)
	Less: Transferred to General Reserve		(2,500.00)
	Closing Balance	**28,943.98**	**19,707.24**
	Other Comprehensive Income (OCI)		
	Balance at the beginning of the year	43.81	15.23
	Add: Addition during the year	(4.68)	28.58
	Closing Balance	**39.13**	**43.81**
	Share issue expenses to be adjusted against securities premium (Net of Deferred Tax)	**(9.98)**	**-**
	Grand Total	**47,775.41**	**38,516.08**

15	BORROWINGS	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Secured - At Amortised Cost				
	(i) Term loans from banks	7,462.53	10,853.17	3,833.06	3,283.27
	(ii) Others - Vehicle Loan				
	from banks	-	2.68	7.25	17.68
	from others	-		-	-
	(iii) Deferred payment liabilities	93.20	201.56	373.05	169.98
	Amount disclosed under the head "other current financial liabilities" (note 21)			**4,213.36**	**3,470.93**
	Total	**7,555.73**	**11,057.41**	**-**	**-**

15.1	Term loan comprises the following:	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	From Bank				
	Rupee Loan #	600.00	1,302.94	800.00	1,038.05
	Foreign Currency Loan ##	6,862.53	9,550.23	3,033.06	2,245.22

net off of Rs NIL (PY 2.71 Lacs) as finance charge.
net off of Rs.52.71 Lacs (PY 76.74 Lacs) as finance charge.

15.2 Terms of repayment:

	Particular	Weighted average Rate of	Installment	Outstanding as at 31.12.2020	Annu 2021
	Rupee Loan #	9.55%	Qtr / Mon	1,400.00	800.00
	Foreign Currency Loan ##	2.73%	Qtr	9,948.30	3,058.74
	Other- Vehicle Loan	9.35%	Monthly	7.25	7.25

net off of Rs NIL (PY 2.71 Lacs) as finance charge.
net off of Rs.52.71 Lacs (PY 76.74 Lacs) as 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 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.

c Foreign Currency Loan (ECB) of EUR: 4.50 Mn. from HSBC bank (Mauritius) Ltd. is secured by first pari passu charge on entire fixed assets of the company including land, building and other fixed assets(including Plant & Machinery, Office Equipment and Furniture & Fixtures and all other Fixed Assets) of the Company (Present & Future), situated at Plot no. 104 & 105, 115 & 116, HSIIDC, Sector-59, Faridabad, Plot No. 113, Huda, Sector 59, Faridabad, Plot no. 17, SIDCUL, Haridwar and Plot No. PA-010-019, Light Engineering, SEZ, Jaipur and second pari passu charge on stock and receivables of the company.

Foreign Currency Loan of (ECB) of EUR: 6.50 Mn from HSBC bank (Mauritius) Ltd. is secured by first pari passu charge with State Bank of India on entire fixed assets of the Company, including land, building and other fixed assets (including Plant & Machinery) of the Company (Present & Future), situated at Plot no. 104 & 105, 115 & 116, HSIIDC, Sector-59, Faridabad, Plot no. 113, HUDA, Sector 59, Faridabad, Plot no. 17, SIDCUL, Haridwar Plot no. PA-010-019, Light Engineering, SEZ, Jaipur & also first pari-passu charge with HSBC, India on entire fixed assets of the Company including land, building and other fixed assets (including Plant & Machinery) of the Company Present & Future), situated at Plot no. 34, Sector 68, IMT, Faridabad and second pari passu charge with other term lenders, State Bank of India, Citi Bank, HSBC, Mauritius and HSBC, India on stock and receivables of the Company.

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

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

16	OTHER NON-CURRENT FINANCIAL LIABILITIES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Security Deposit from Agent/ Others	92.54	76.39
	Deferred interest on deferred payment liability	12.49	26.96
	Total	**105.03**	**103.35**

17	PROVISIONS	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Provision for employee benefits				
	Gratuity	206.62	147.40	25.38	23.92
	Leave Encashment	161.20	143.67	17.95	18.05
	Total	**367.82**	**291.07**	**43.33**	**41.97**

18 DEFERRED TAX LIABILITIES

In accordance with IND AS - 12, the company has accounted for deferred taxes during the year as under:
Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets

(₹ in lacs)

Particulars	As at 31 December 2020					
	Balance as at April 1 2020	**Recognised in profit & loss**	**Recognised in OCI**	**Net Deferred Tax**	**Deferred Tax Liability**	**Deferred Tax Assets**
Property, plant and equipment and intangible assets	1,702.57	**(134.06)**		**1,568.51**	**1,568.51**	
Provision for defined benefit plan - P&L	(83.83)	**(0.85)**		**(84.67)**		**(84.67)**
Provision for defined benefit plan - OCI	17.69	**-**	**(1.57)**	**16.12**	**16.12**	
Provision for Bonus	(34.28)	**29.47**		**(4.81)**		**(4.81)**
Provision for doubtful debts and advances	(34.42)	**(7.23)**		**(41.66)**		**(41.66)**
Exchange difference impact under Sec 43A of income tax act.	(87.87)	**(89.10)**		**(176.97)**		**(176.97)**
IND AS 116	(30.95)	**1.81**		**(29.14)**	**-**	**(29.14)**
Others				**(2.52)**		**(2.52)**
Deferred Tax (Assets) / Liabilities	**1,448.92**	**(199.96)**	**(1.57)**	**1,244.86**	**1,584.63**	**(339.77)**

(₹ in lacs)

Particulars	As at 31 March 2020					
	Balance as at April 1 2019	**Recognised in profit & loss**	**Recognised in OCI**	**Net Deferred Tax**	**Deferred Tax Liability**	**Deferred Tax Assets**
Property, plant and equipment and intangible assets	1,998.02	**(295.45)**		**1,702.57**	**1,702.57**	
Provision for defined benefit plan - P&L	(55.12)	**(28.71)**		**(83.83)**		**(83.83)**
Provision for defined benefit plan - OCI	8.08	**-**	**9.61**	**17.69**	**17.69**	
Provision for Bonus	(43.89)	**9.61**		**(34.28)**		**(34.28)**
Provision for doubtful debts and advances	(40.78)	**6.36**		**(34.42)**		**(34.42)**
Exchange difference impact under Sec 43A of income tax act.		**(87.87)**		**(87.87)**		**(87.87)**
IND AS 116	(42.89)	**11.95**		**(30.95)**	**-**	**(30.95)**
Deferred Tax (Assets) / Liabilities	**1,823.42**	**(384.10)**	**9.61**	**1,448.92**	**1,720.26**	**(271.34)**

*** Amount recognised during period ended 31st December 2019**

In Profit & Loss Statement : (247.75)

In Other Comprehensive Income: 8.49

18.1 Movement on the deferred tax account is as follows:

(₹ in lacs)

Particulars	**As at 31 December 2020 (Unaudited) Limited Reviewed**	**As at 31 March 2020 (Audited)**
Balance at the beginning of the year	1,448.92	1,866.31
Transitional IND AS 116 impact	-	(42.89)
Restated Balance as at April 1 2019	**1,448.92**	**1,823.42**
(Credit)/ Charge to the statement of profit and loss	(199.96)	(384.10)
(Credit)/ Charge to other comprehensive income	(1.57)	9.61
Adjusted in Other Equity	(2.52)	-
Balance at the end of the year	**1,244.86**	**1,448.92**

(₹ in Lacs)

19	BORROWINGS - CURRENT	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Secured - from banks		
	Cash / Export Credit Loan	5,464.27	4,432.75
	Total	**5,464.27**	**4,432.75**

Working Capital limits from State Bank of India, Citi Bank N.A., The Hongkong & Shanghai Banking Corporation Limited and HDFC Bank Limited are secured by way of first pari-passu charge on entire current assets of the Company (present & future), including stocks of raw materials, stock in process, finished goods, stores & spares lying at factories , godowns or elsewhere (including goods in transit) and book debts / receivables and further secured by second pari-passu charge on entire residual fixed assets of the company.

20	TRADE PAYABLES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Total outstanding dues of micro enterprises and small enterprises:	823.59	861.95
	Total outstanding dues of trade payables and acceptances other than above	5,860.19	5,185.71
		6,683.78	**6,047.66**

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors.

(₹ in Lacs)

	Particulars	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
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	823.59	861.95
	- Interest due		
b	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

21	OTHER CURRENT FINANCIAL LIABILITIES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Current maturities of long-term borrowings (Refer note no. 15)	4,213.36	3,470.93
	Interest accrued but not due on borrowings	5.69	6.21
	Interest accrued and due on borrowings / Security deposits	3.44	12.90
	Unclaimed dividends	30.82	30.55
	Other payables		
	Employees related liabilities	1,833.77	1,436.60
	Liability on account of outstanding forward contracts	-	227.61
	Payables for capital goods	220.45	178.58
	Others (includes deferred interest of Rs. 26.04 lacs (PY 11.11 Lacs) on deferred payment liability)	80.04	59.66
	Total	**6,387.57**	**5,423.04**

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

22	OTHER CURRENT LIABILITIES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Advance from customers	600.06	978.59
	Other payables		
	Statutory dues	196.25	513.83
	Others	0.75	0.63
	Total	**797.06**	**1,493.05**

23	CURRENT TAX LIABILITIES (NET)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Provision for Tax (Net of Prepaid Tax of `Rs. 3,045.72 Lacs) (PY Rs.3209.27 lacs)	263.07	74.90
	Total	**263.07**	**74.90**

24	REVENUE FROM OPERATIONS	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Sale of products		
	Manufactured goods	53,492.16	47,179.80
	Traded Goods	218.87	73.75
	Other operating revenues		
	Export Incentives	694.70	1,341.91
	Sale of scrap	81.65	103.28
	Others	-	-
	Total	**54,487.38**	**48,698.74**

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

Particulars		
The Company disaggregates revenue based on nature of products/geography as under :	**Nine Months period ended 31 December 2020 (Limited Reviewed)**	**Nine Months period ended 31 Decembe 2019 (Limited Reviewed)**
Revenue based on Geography		
Sales		
Domestic	16,898.37	14,470.33
Export	36,812.66	32,783.22
Other operating revenue		
Domestic-Export incentives and Scarp	776.35	1,445.19
Development Charges		-
	54,487.38	**48,698.74**
Revenue based on Nature of Products		
Medical Devices	53,711.03	47,253.55
Export incentives	694.70	1,341.91
Scrap	81.65	103.28
Development Charges		
	54,487.38	**48,698.74**
Reconciliation of Revenue	**Nine Months period ended 31 December 2020 (Limited Reviewed)**	**Nine Months period ended 31 Decembe 2019 (Limited Reviewed)**
Gross value of contract price	53,966.33	47,502.99
Less : Variable components i.e.,Rebate & discount	255.30	249.44
Other operating revenue	776.35	1,445.19
Revenue from operations as recognised in financial statement	**54,487.38**	**48,698.74**

Reconciliation of Advance received from Customers-Contract Liabilities	Nine Months period ended 31 December 2020 (Limited Reviewed)	As at 31 March 2020 (Audited)
Balance at the beginning of the period	**978.59**	**276.20**
Less : Revenue recognised out of balance of advance received from customer at beginning of year	6,151.51	261.80
Add : Advance received during the year from customers for which performance obligation is not satisfied and shall be recognised as revenue in next year	5,772.98	964.19
Balance as at the end of the year	**600.06**	**978.59**

The Company have orders in hand as at 31st December 2020 for Rs. 6,674.13 lacs, for which performance obligation amounting to Rs.6,674.13 lacs will be recognised as revenue during the next reporting period/year. The company have evaluated the impact of Covid 19 on position of orders in hand as on 31.12.2020 and do not expect any major/significant cancellation/reduction in order value as at the date of approval of the condensed interim unaudited standalone financial statement.

25	OTHER INCOME	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Interest Income/ Dividend Income		
	Interest Income on Fixed and other Deposits	234.00	374.09
	Interest Income from Financial Assets Measured at Amortised Cost	20.70	2.79
	Dividend/ Governing Council Share	14.33	-
	Other non-operating income		
	Rental Income from Investment Property	5.23	7.03
	Government Grants and Subsidies	71.36	46.18
	Income from Mutual Funds	10.16	34.04
	Miscellaneous Income	57.70	60.87
	Other Gain		-
	Provisions / Liabilities no longer required written back (net)	0.10	13.77
	Gain on fixed assets sold/discarded	2.13	21.04
	Gain on Foreign Exchange Fluctuation (net)	576.95	756.76
	Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	193.05	-
	Total	**1,185.71**	**1,316.57**

26	COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Raw Material Consumed		
	Inventory at the beginning of the year*	4,333.31	2,704.62
	Add: Purchases during the year	14,264.76	13,182.58
	Less: Inventory at the end of the period	4,759.76	4,331.86
	Cost of raw material consumed (A)	**13,838.31**	**11,555.34**
	Packing Material Consumed		
	Inventory at the beginning of the year**	818.55	627.52
	Add: Purchases during the year	3,597.00	3,696.30
	Less: Inventory at the end of the period	974.61	737.20
	Cost of packing material consumed (B)	**3,440.94**	**3,586.62**
	Total (A+B)	**17,279.25**	**15,141.96**

The above consumption figures are disclosed on the basis of derived figures and are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.

* Inventory at the beginning of year denotes 01.04.2020

** Inventory at the beginning of year denotes 01.04.2019

27	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Nine Months period ended 31 December 2020	Year ended March 31, 2020	(Increase)/ Decrease
	Inventories at the end of period			
	Finished Goods and Stock in Trade	1,624.10	1,758.52	134.42
	Work in progress	1,956.41	1,883.45	(72.96)
		3,580.51	**3,641.97**	**61.46**
		Nine Months period ended 31 December 2019	**Year ended March 31, 2019**	**(Increase)/ Decrease**
	Inventories at the beginning of year			
	Finished Goods and Stock in Trade	1,259.45	744.12	(515.33)
	Work in progress	1,817.33	2,120.52	303.19
		3,076.78	**2,864.64**	**(212.13)**

28	EMPLOYEE BENEFITS EXPENSES	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Salaries, wages and bonus	8,861.52	8,796.05
	Contributions to Provident Fund and others	556.78	633.82
	Share based payment to employees	37.23	9.75
	Staff Welfare Expenses	132.19	130.48
	Total	**9,587.72**	**9,570.10**

29	RESEARCH AND DEVELOPMENT EXPENSES	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Revenue Expenditure charged to statement of profit and loss		
	Cost of components and Material Consumed (Net)	568.21	540.88
	Employee benefits expenses	275.81	253.61
	Power and Fuel	30.93	42.21
	Travelling & Conveyance	0.88	3.38
	Other Misc Expenses	18.72	6.16
	Legal & Professional Charges	42.25	-
	Total Revenue Expenses	**936.80**	**846.24**
	Capital Expenditure	-	-
	Total amount spent on Research and Development	**936.80**	**846.24**

30	FINANCE COST	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Interest expense		
	Interest on loans	435.93	660.02
	Interest on Income Tax	2.82	4.45
	Exchange difference to the extent considered as an adjustment to interest costs	479.58	254.23
	Interest on Lease Liabilities	9.36	33.40
	Others		
	Other amortised borrowing costs	60.85	21.89
	Total	**988.54**	**973.99**

31	DEPRECIATION AND AMORTISATION EXPENSES	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Depreciation of tangible assets	3,170.18	2,806.30
	Amortisation of intangible assets	164.27	140.11
	Depreciation of investment properties	6.07	3.08
	Amortisation of Right to Use	69.61	69.61
		3,410.13	**3,019.10**

32	OTHER EXPENSES	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Consumption of stores and spare parts	1,153.18	940.10
	Power and Fuel	1,815.23	1,909.82
	Job Work Charges	4,074.30	4,150.17
	Other Manufacturing Expenses	152.12	61.74
	Repairs to Building	34.81	46.92
	Repairs to Machinery	54.59	55.87
	Repairs to Others	20.25	22.66
	Insurance (Net)	139.21	133.49
	Operating lease	-	-
	Short term lease	77.63	32.23
	Rates, Taxes & Fee	96.40	82.62
	Travelling & Conveyance	485.91	699.09
	Legal & Professional Fees	1,017.60	860.04
	Auditors' Remuneration	14.16	14.19
	Commission and Sitting Fees to Non-Executive Directors	77.50	53.50
	Donations	115.91	83.96
	Bank Charges	154.35	156.00
	Advertisement	6.34	2.58
	Commission on sales	340.71	345.25
	Freight & Forwarding (Net)	407.12	335.06
	Business Promotion	35.92	360.55
	Exhibition Expenses	7.20	109.54
	Rebate, Discounts & Claims	103.57	53.22
	Provision for Doubt ful debts / Advances	31.89	11.38
	Bad debts / Misc. Balances written off (net)	17.35	30.49
	CSR Expenditure	184.37	190.58
	Communication expense	37.55	39.02
	Listing fees	4.63	6.42
	Other Miscellaneous Expenses	203.16	286.88
	Total	**10,862.96**	**11,073.37**

	Payment to Auditors	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Audit Fee	**9.19**	**9.19**
	Tax Audit Fee		
	Limited Review of Results (Previous auditor)		**1.00**
	Limited Review of Results	**3.00**	**2.00**
	In other capacity		
	(a) For certification work	**0.30**	**0.30**
	(b) For Others	**0.17**	**0.10**
	Reimbursement of expenses	**1.50**	**1.60**
	Total	**14.16**	**14.19**

33	TAX EXPENSES	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
	Tax expenses comprises of:		
	Current tax	3,304.61	2,566.77
	Earlier year tax adjustment (net)	(13.30)	41.79
	Deferred tax	(199.96)	(247.75)
	Total	**3,091.35**	**2,360.81**

Reconciliation of tax expenses and accounting profit multiplied by Indian tax rate	Nine Months period ended 31 December 2020 (Limited Reviewed)	Nine Months period ended 31 Decembe 2019 (Limited Reviewed)
Profit before tax	12,328.09	9,537.86
Applicable tax rate	25.17%	25.17%
Tax at the Indian tax rate of 25.17% (Previous year 25.17%)	3,102.73	2,400.49
Adjustment of expenses disallowed under income tax	274.18	155.66
Adjustment of expenses allowable under income tax	(1.93)	29.55
Other allowable deduction (including Ind As adjustments)	(70.37)	(18.92)
Current Tax (A)	**3,304.61**	**2,566.77**
Incremental Deferred tax Liability on timing Differences (Net)	(199.96)	(247.75)
Deferred Tax (B)	**(199.96)**	**(247.75)**
Tax expenses for earlier year (net) (C)	**(13.30)**	**41.79**
Tax expenses recognised in the statement of profit and loss (A+B+C)	**3,091.35**	**2,360.81**
Effective tax rate	25.08%	24.75%

Notes to Condensed Interim Unaudited Standalone Financial Statements for the Nine Months period ended 31 December, 2020

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 condensed interim unaudited standalone financial statements of the company for the nine months period ended 31st December 2020 were approved and authorized for issue by the Board of directors in their meeting held on 27th January 2021

STATEMENT OF COMPLIANCE

The condensed interim unaudited standalone financial statements have been prepared in accordance with recognition and measurement principles as laid down in Ind As -34 "Interim Financial Reporting" and other applicable Indian accounting standards (Ind As) and other recognised accounting practices and policies in India and have been prepared for the purpose of including in Preliminary-Placement document for the issue of Equity Shares to Qualified Institutional Placement.

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) <u>Functional and presentation Currency:</u>

The functional and reporting currency of company is INR.

(ii) <u>Transaction and Balances:</u>

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. In accordance with Ind AS 115, the company recognises revenue from sale of products and services at a time when performance obligation is satisfied and upon transfer of control of promised products or services to customer in an amount that reflects the consideration the company expects to receive in exchange for their products or services. The company disaggregates the revenue based on nature of products/Geography.

• **Export incentive**:

Export incentives are accounted for on export of goods, if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

• **Dividend income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

• **Interest income:**

For all Financial instruments measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

• Rental income:

Rental income on investment properties are accounted for on accrual basis.

n Government Grant

• Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.

• Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

• Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

• In respect of Property, Plant and Equipment purchased under Export Promotion Capital Goods (EPCG) scheme of Government of India, exemption of custom duty under the scheme is treated as, Government Grant and is recognized in Statement of Profit and Loss on fulfillment of associated export obligations.

o Employees Benefits:

i) Short term employee Benefit:

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) Defined Contribution Plan:

Contributions to the Employees' Provident Fund and Employee's State Insurance are recognized as Defined Contribution Plan and charged as expenses in the year in which the employees render the services.

iii) Defined Benefit Plan:

The Leave Encashment (Unfunded) and Gratuity (Funded) are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past Service cost is recognised in the statement of profit and loss in the period of plan amendment. Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligations under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, gains and losses on curtailments and non-routine Settlements.
- Net interest income or expense.

iv) Long term Employees Benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

v) Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.
The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

(a) when the entity can no longer withdraw the offer of those benefits; and
(b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

p Share based payments:

Equity settled share based payments to employees are measured at fair value of equity instrument at the grant date.The fair value determined at grant date is expensed on straight line basis over the vesting period based on the company's estimate of equity instrument that will eventually vest with corresponding increase in equity. At the end of each reporting period, the company revise its estimate of number of equity instruments expected to vest. The impact of revision of the original estimates, if any, is recognised in statement of profits and loss such that cumulative expense reflect the revised estimate with a corresponding adjustment to Share based Payments Reserve. The dilutive effect of outstanding option is reflected as additional dilution in computation of diluted earning per share.

q Borrowing costs:

(i) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

(ii) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

(iii) All other borrowing costs are recognised as expense in the period in which they are incurred.

r Leases:

In accordance with IND AS 116, the Company recognises right of use assets representing its right to use the underlying asset for the lease term at the lease commecement date. The cost of right of use asset measered at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before commencement date less any lease incentive received plus any initial direct cost incurred and an estimate of cost to be incurred by lessee in dismentling and removing underlying asset or restoring the underlying asset or site on which it is located. The right of use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment lossess, if any, and adjusted for any remeasurement of lease liability.The right of use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that there carrying amounts may not be recoverable. Impairment loss, if any, is recognised in statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by inceasing the carrying amount to reflect interest on lease liabilty, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised- in-substance fixed lease payments, the company recognises amount of remeasurement of lease liability due to modification as an adjustment to right of use assets and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right of use assets is reduced to zero and there is further reduction in measurement of lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Copmany has elected not to apply the requirements of IND AS 116 to short term leases of all assets that have a lease term of twelve month or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on straight line basis over lease term.

s Taxes on income:

(i) Current Tax:

1. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-Tax Act 1961 and based on the expected outcome of assessments / appeals.

2. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

<u>(ii) Deferred tax:</u>

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 Judgments, Estimates and Assumptions:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation of uncertainty related to Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertanties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company and based on estimates the company expects that the carrying amount of financial assets will be recovered and the company do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of these condensed interim unaudited Standalone Financial Statements.

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 offinancial instruments.

iii Lease:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to excercise that option and periods covered by an option to terminate the lease if the company is reasonably certain not to excercise that option. In excersing whether the company is reasonably certain to excercise an option to extend a lease or to excercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the company to excercise the option to extend the lease or to excercie the option to terminate the lease. The company revises lease term, if there is change in non-cancellable period of lease. The discount rate used is generally based on incremental borrowing rate.

iv Depreciation/Amortisation and useful life of Property, Plant and Equipment:

The Company has estimated the useful life of Property, Plant and Equipment (PPE) as specified in schedule II of Companies Act. 2013. However, the actual useful life for individual PPE could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternatively, the equipment may continue to provide useful services well beyond the useful life assigned.

v Impairment of Financial & Non-Financial Assets:

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The Company uses judgements in making these assumptions and selecting inputs for impairment calculations based on existing market conditions, past history, technology, economic developments as well as forward looking estimates at the end of each reporting period.

vi Provisions:

The company makes provision for leave encashment and gratuity based on report received from the independent actuary. These valuation reports uses complex valuation models using actuarial valuation. An actuarial valuation involves making various assumption that may differ from actual development in future.

vii **Contingencies:**

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

aa Capital:

Debt and equity instruments:

Ordinary equity shares are classified as equity. Debt instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

ab Other Miscellaneous Expenses

Public Issue Expenditure/Share issue expenses on private placement basis/FCCB's issue expenditure is being written off against Securities/Share premium, net of taxes, in the year of issue.

34 Fair value measurement

i Financial instruments: Accounting classification and fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

(₹ in Lacs)

Particulars	31-Dec-20						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	3,979.85	-	-	3,979.85	-	-	-
In Fixed Maturity Plans	-	-	-	-	-	-	-
In Liquid Mutual Funds	4,275.86	4,275.86	-	-	-	4,275.86	-
Trade receivables	12,839.80	-	-	12,839.80	-	-	-
Cash & cash equivalents	563.95	-	-	563.95	-	-	-
Other bank balances	1,958.71	-	-	1,958.71	-	-	-
Loans	38.59	-	-	38.59	-	-	-
Other financial assets	2,869.00	-	-	2,869.00	-	-	
Total financial assets	**26,525.76**	**4,275.86**	**-**	**22,249.90**	**-**	**4,275.86**	**-**
Financial liabilities							
Borrowings	13,020.00	-	-	13,020.00	-	-	-
Trade payables	6,683.78	-	-	6,683.78	-	-	-
Lease Liabiliies	356.20	-	-	356.20	-	-	-
Other financial liabilities	6,492.60	-	-	6,492.60	-	-	-
Total financial liabilities	**26,552.58**	**-**	**-**	**26,552.58**	**-**	**-**	**-**

(₹ in Lacs)

Particulars	31-Mar-20						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	3,979.85	-	-	3,979.85	-	-	-
In Fixed Maturity Plans	222.99	222.99				222.99	
In Liquid Mutual Funds	1,592.21	1,592.21				1,592.21	
Trade receivables	12,044.80	-	-	12,044.80	-	-	-
Cash & cash equivalents	189.46	-	-	189.46	-	-	-
Other bank balances	2,049.78	-	-	2,049.78	-	-	-
Loans	13.71	-	-	13.71	-	-	-
Other financial assets	3,870.12	-	-	3,870.12	-	-	-
Total financial assets	**23,962.92**	**1,815.20**	**-**	**22,147.72**	**-**	**1,815.20**	**-**
Financial liabilities							
Borrowings	15,490.16	-	-	15,490.16	-	-	-
Trade payables	6,047.66	-	-	6,047.66	-	-	-
	432.34			432.34			
Other financial liabilities	5,526.39	227.61	-	5,298.78	-	227.61	-
Total financial liabilities	**27,496.55**	**227.61**	**-**	**27,268.94**	**-**	**227.61**	**-**

The carrying amount of bank balances, Trade Receivable, Trade Payable, other financial assets / liabilities, loans, cash and cash equivalents, borrowings are considered to be the same as their fair value due to their short term nature.

The levels have been classified based on the followings:

Level 1: It hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted.
- Close ended mutual funds at NAV's declared by AMFI.
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as FIMMDA (Fixed Income Money Market and Derivative Association of India).
- Derivative Instruments at values determined by counter parties/Banks using market observable data.
- Certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value.

35 CONTINGENT LIABILITIES AND COMMITMENTS

a Contingent liabilities not provided for:

(₹ in Lacs)

Particulars	**Period ended 31-Dec-20**	**Year Ended 31-Mar-20**
Compensation for enhanced cost of Land pending with District & Session Court Faridabad (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
Demand from National Pharmaceutical Pricing Authority (Net)	76.88	76.88

b Obligations and commitments outstanding:

(₹ in Lacs)

Particulars	**Period ended 31-Dec-20**	**Year Ended 31-Mar-20**
Unexpired letters of credit ₹ 1,725.42 lacs (Previous year ₹1,068.77 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,940.69 lacs (Previous year ₹ 1,863.46 lacs), (Net of margins)	1,940.69	2,932.23
Bills discounted but not matured	591.87	890.73
Custom duty against import under EPCG Scheme	1,400.51	1,927.70
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	2,453.19	5,612.40

36 RELATED PARTY DISCLOSURES:

Related party disclosures as required by Ind AS - 24 "Related Party Disclosures" are as under:

A List of related parties and relationships

a Subsidiaries, Step-subsidiary and Associate

Subsidiaries

1 Poly Medicure (Laiyang) Co. Ltd., China
2 Poly Medicure BV, Netherlands
3 Plan 1 Health India Pvt.Ltd.

Step-Subsidiary

1 Plan 1 Health SRL, Italy (Wholly owned subsidiary company of Poly Medicure BV, Netherlands)

Associate

1 Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel & Relative

1 Mr. Himanshu Baid (Managing Director)
2 Mr. Rishi Baid (Joint Managing Director)
3 Mr. J. K. Oswal (CFO)
4 Mr. Avinash Chandra (Company Secretary)
5 Mr. Devendra Raj Mehta (Independent Director)
6 Mr. Prakash Chand Surana (Independent Director)
7 Mr. Shailendra Raj Mehta (Independent Director)
8 Dr. Sandeep Bhargava (Independent Director)
9 Mr. Alessandro Balboni
10 Mr. Amit Khosla (Independent Director) w.e.f 5th June 2020
11 Mrs. Sonal Mattoo (Independent Director) w.e.f 29th August 2020
12 Mr. J. K. Baid (Director- relative of Managing Director & Joint Managing Director)
13 Mr. Vishal Baid (President- relative of Managing Director & Joint Managing Director)
14 Mrs. Mukulika Baid (Director- relative of Managing Director & Joint Managing Director)

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.
5 Jai Chand Lal Hulasi Devi Baid Charitable Trust

B <u>Transactions with related parties</u>

(₹ In lacs)

Particulars	Subsidiaries, Step Subsidiary and Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-Dec-20	**31-Dec-19**	**31-Dec-20**	**31-Dec-19**	**31-Dec-20**	**31-Dec-19**
Sales of Goods	**863.80**	**601.57**			**2,298.02**	**942.87**
Ultra for Medical Products Egypt	683.64	587.96				
Plan 1 Health SRL, Italy	180.16	13.61				
Vitromed Healthcare					2,298.02	942.87
Purchases of Goods/Bussiness support & marketing services	**108.60**	**51.83**			**81.68**	**2.39**
Plan 1 Health SRL, Italy	108.60	22.53				
Poly Medicure (Laiyang) Co. Ltd	-	29.30				
Vitromed Healthcare					81.68	2.39
Job work					**3,736.26**	**3,770.28**
Vitromed Health Care					3,736.26	3,770.28
Rent received					**0.15**	**0.15**
Vitromed Healthcare					0.15	0.15
Rent paid					**1.28**	**1.28**
Jai Polypan Pvt. Ltd.					1.28	1.28
CSR Expenses	**4.25**	-				
Jai Chand Lal Hulasi Devi Baid Charitable Trust	4.25	-				
Dividend/ Governing Council Share	**14.33**	**-**				
Ultra for Medical Products, Egypt	14.33	-				
Advance From Subsidiaries / Associates	**7.91**	**18.58**				
Plan 1 Health SRL, Italy	-	-				
Ultra for Medical Products Egypt	7.91	18.58				
Directors / Key Managerial Personnels' Remuneration including commission			**1,372.70**	**980.00**		
Mr. Himanshu Baid			659.22	469.66		
Mr. Rishi Baid			661.66	458.93		
Mr. J. K. Oswal			43.18	43.39		
Mr. Avinash Chandra			8.64	8.02		
Defined benefit obligations			**17.68**	**32.45**		
Mr. Himanshu Baid			8.92	17.44		
Mr. Rishi Baid			8.09	14.07		
Mr. J. K. Oswal			0.65	0.80		
Mr. Avinash Chandra			0.02	0.14		
Salary and perquisites			**83.81**	**77.70**		
Mr. Vishal Baid			83.81	77.70		
Commission and Sitting fees			**77.50**	**53.50**		
Mr. J. K. Baid			9.50	8.50		
Mrs. Mukulika Baid			9.50	8.50		
Mr. Devendra Raj Mehta			10.75	9.75		
Mr. Prakash Chand Surana			10.75	9.00		
Mr. Shailendra Raj Mehta			10.00	9.00		
Dr. Sandeep Bhargava			9.75	8.75		
Mr. Amit Khosla			9.00	-		
Mrs. Sonal Mattoo			8.25	-		
Management Fee			**143.40**	**143.73**		
Mr. Alessandro Balboni			143.40	143.73		

Outstanding balances at the year end

(₹ in lacs)

Particulars	Subsidiaries and Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-Dec-20	31-Mar-20	31-Dec-20	31-Mar-20	31-Dec-20	31-Mar-20
Dividend / Share Governing Council outstanding	**-**	**45.46**				
Ultra for Medical Devices	-	45.46				
Directors' Remuneration / Salary payable			**734.44**	**331.90**		
Mr. Himanshu Baid			355.63	161.23		
Mr. Rishi Baid			370.77	162.70		
Mr. Vishal Baid			5.09	4.33		
Mr. J. K. Oswal			2.18	3.10		
Mr. Avinash Chandra			0.77	0.54		
Commission Payable			**54.00**	**48.60**		
Mr. J. K. Baid			6.75	8.10		
Mrs. Mukulika Baid			6.75	8.10		
Mr. Devendra Raj Mehta			6.75	8.10		
Mr. Prakash Chand Surana			6.75	8.10		
Mr. Shailendra Raj Mehta			6.75	8.10		
Dr. Sandeep Bhargava			6.75	8.10		
Mr. Amit Khosla			6.75	-		
Mrs. Sonal Mattoo			6.75	-		
Management Fee & Others Payable			**17.33**	**13.99**		
Mr. Alessandro Balboni			17.33	13.99		
Trade Receivable	**685.03**	**516.80**			**159.84**	**26.96**
Vitromed Healthcare					159.84	26.96
Plan 1 Health SRL , Italy	127.72	21.51				
Ultra for Medical Products	557.31	495.29			-	-
Trade Payable / Payable for capital goods	**23.99**	**48.40**			**1,118.74**	**406.30**
Vitromed Healthcare					1,118.74	406.30
Poly Medicure (Laiyang) Co. Ltd	17.97	-				
Plan 1 Health SRL, Italy	6.02	16.80				
Advance from customer						
Ultra for Medical Products	-	31.60				
Advance against Goods/Services						
Plan 1 Health SRL, Italy	-	11.40				

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

(₹ in lacs)

Particulars	Period ended 31-Dec-20	Period ended 31-Dec-19
Net profit after tax available for equity share holders (₹ In lacs)	9,236.74	7,177.05
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	88,246,980	88,246,980
Basic Earnings per Share (in ₹)	10.47	8.13
Diluted Earnings per Share		
Weighted Average no. shares outstanding during the year	88,246,980	88,246,980
Effect of dilutive issue of stock options	56,828	34,378
Weighted Average no. shares outstanding for diluted EPS	88,303,808	88,281,358
Diluted Earnings per Share (in ₹)	10.46	8.13

38 EMPLOYEE BENEFIT:

As per Ind AS - 19 "Employee Benefits", the disclosures are as under:

I Defined Contribution Plan - Provident Fund

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

During the year, the company has recognised the following amount in statement of profit and loss

(₹ In lacs)

Particulars	Period ended 31-Dec-20	Period ended 31-Dec-19
Employers' contribution to provident fund * #	400.48	432.55

* 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 ₹ 9.21 lacs (PY ₹ 12.56 lacs).

II Defined Benefit Plan

The company has formed a employees gratuity trust which is administrated by Life Insurance Corporation of India (LIC). The company makes contribution towards funding the defined benefit plan pertaining to gratuity to LIC. The Leave Encashment liability is not contributed to any fund and is unfunded. The present value of the defined benefit obligation and related current cost are measured using projected unit credit method with 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	Period ended 31-Dec-20	Period ended 31-Mar-20
Obligations at year beginning	333.23	321.58
Service Cost - Current	45.54	50.93
Service Cost - Past	-	-
Interest expenses	17.29	24.60
Acturial (gain) / Loss on PBO	3.34	(38.98)
Benefit payments	(10.29)	(24.91)
Addition due to transfer of employee	-	-
Obligations at year end	**389.11**	**333.23**

(ii) Change in plan assets

(₹ In lacs)

Particulars	Period ended 31-Dec-20	Period ended 31-Mar-20
Fair value of plan assets at the beginning of the period	161.91	157.55
Actual return on plan assets	6.17	12.16
Less- FMC Charges	(0.68)	(0.90)
Employer contribution	-	18.00
Benefits paid	(10.29)	(24.91)
Fair value of plan assets at the end of the period	**157.11**	**161.91**

(iii) Assets and Liabilities recognized in the Balance Sheet

(₹ In lacs)

Particulars	Period ended 31-Dec-20	Year ended 31-Mar-20
Present Value of the defined benefit obligations	389.11	333.23
Fair value of the plan assets	157.11	161.91
Amount recognized as Liability	**232.00**	**171.32**

(iv) Defined benefit obligations cost for the year:

(₹ In lacs)

Particulars	Period ended	
	31-Dec-20	31-Dec-19
Service Cost - Current	45.54	48.74
Service Cost - Past	-	-
Interest Cost	8.89	9.41
Expected return on plan assets	-	-
Actuarial (gain) loss	-	-
Net defined benefit obligations cost	**54.43**	**58.15**

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

(₹ In lacs)

Particulars	Period ended	
	31-Dec-20	31-Dec-19
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	(3.34)	(33.14)
Actuarial gain /(loss) for the year on Asset	(2.91)	(0.62)
Unrecognized actuarial gain/(loss) for the year	**(6.25)**	**(33.75)**

(vi) Investment details of Plan Assets

Particulars	Period ended 31-Dec-20	Year ended 31-Mar-20
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:

Particulars	Period ended 31-Dec-20	Year ended 31-Mar-20
Discount Rate per annum	6.61%	6.92%
Future salary increases	4.00%	4.00%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(viii) Demographic Assumptions:

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

(₹ In lacs)

Particulars	Period ended 31-Dec-20	Year ended 31-Mar-20
i) Retirement Age (Years)	60.00	60.00
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	
iii) Attrition at Ages	WithdrawalRate (%)	
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)

	Period ended				
	31-Dec-20	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
Defined benefit obligations	389.11	333.23	321.58	268.28	260.83
Plan assets	(157.11)	(161.91)	(157.55)	(137.22)	(5.00)
Deficit /(Surplus)	**232.00**	**171.32**	**164.03**	**131.06**	**255.83**

(x) Expected Contribution to the Fund in the next year (₹ In lacs)

	Period ended	
	31-Dec-20	31-Dec-19
Service Cost	71.75	72.20
Net Interest Cost	15.34	16.94
Expected contribution for next annual reporting perod	**87.08**	**89.14**

(xi) Sensitivity Analysis

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is :

(₹ In lacs)

	Assumption		Assumption			Assumption		
	31-Dec-20	31-Mar-20	Impact	31-Dec-20	31-Mar-20	Impact	31-Dec-20	31-Mar-20
Discount	0.50%	0.50%	Decrease by	(26.81)	(20.65)	Increase by	24.31	22.75
Future	0.50%	0.50%	Increase by	25.91	21.85	Decrease by	(23.60)	(19.91)

The above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

(xii) Maturity Profile of Defined Benefit Obligation (₹ In lacs)

Sr.	Year	Amount
a	0 to 1 Year	25.38
b	1 to 2 Year	6.76
c	2 to 3 Year	7.30
d	3 to 4 Year	7.77
e	4 to 5 Year	10.86
f	5 to 6 Year	7.66
g	6 Year onwards	323.39

(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

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 ₹ 179.15 lacs form part of long term provision ₹ 161.20 Lacs (PY ₹ 143.67 Lacs) and short term provision ₹ 17.95 Lacs (PY ₹ 18.05 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

39 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	Period ended	
	31-Dec-20	**31-Dec-19**
Medical Devices	53,711.03	62,908.94
	53,711.03	**62,908.94**

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

(₹ In lacs)

Particulars	Period ended	
	31-Dec-20	**31-Dec-19**
With in India	16,898.37	14,470.33
Outside India	36,812.66	32,783.22
	53,711.03	**47,253.55**

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.

40 SHARE BASED PAYMENTS:

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

• The vesting period is as under:

- On completion of 24 months from the date of grant of Options - 50%
- On completion of 30 months from the date of grant of Options- 50%

• The exercise price of the option is ₹ 50 each, which are to be paid by the employees to the Company on the exercise of the options.

The exercise period commences from the date of vesting of the options and expires at the end of 3 months from the date of such vesting or such extended period. Out of total 20,100 Equity Shares vested during 2018-19, 10,050 Equity Shares of Rs.5 each was excercised during 2018-19 and balance 10,050 equity shares in 2019-20.

The company has also formulated "Poly Medicure Employee Stock Option Scheme, 2016 (ESOP 2016)" duly approved by the share holders in the annual general meeting held on 27th Sept 2016 in accordanace of which the ESOP Commitee of Board of Directors of the company held on 27th Sept 2016 has granted 42950 equity shares to eligible employees on the following terms & Conditions:
All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting,failing which the option shall lapse, or such other date as decided by the compensation committee.
Provided, however that in case of cessation of employement,the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.
The vesting period for the conversion of options are as follows:
On completion of 24 months from the date of grant of option: 50% vests.
On completion of 36 months from the date of grant of option: 50% vests.

The company has also formulated "Poly Medicure Employee Stock Option Scheme, 2020 (ESOP 20120)" duly approved by the share holders in the annual general meeting held on 29th Sept 2020 in accordanace of which the ESOP Commitee of Board of Directors of the company held on 6th November 2020 has granted 63100 equity shares to eligible employees on the following terms & Conditions:
All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting,failing which the option shall lapse, or such other date as decided by the compensation committee.
Provided, however that in case of cessation of employement,the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.
The vesting period for the conversion of options are as follows:
On completion of 24 months from the date of grant of option: 50% vests.
On completion of 36 months from the date of grant of option: 50% vests.

a Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOP 2015)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value
(Year of Grant)				
2016-17	23500	2018-19	50	296

b Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOP 2016)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value
(Year of Grant)				
2019-20	42950	2021-22 2022-23	50	147

c Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOP 2020)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value
(Year of Grant)				
2020-21	63100	2022-23 2023-24	100	374

d Movement of share options during the year

Particulars	As at 31st December 2020		As at 31st March 2020	
	Number of share options	Exercise Price	Number of share options	Exercise Price
Balance at the beginning of the year	41,550	50	10,050	50
Granted during the year (ESOP-2020)	63,100	100		
Granted during the year (ESOP-2016)	-	-	42,950	50
Forfeited during the year	800	-	1,400	-
Exercised during the year (ESOP-2015)	-	-	10,050	50
Expired / Lapsed during the year	-	-	-	-
Balance Options to be exercised at the end of the year	103,850	50 & 100	41,550	50

e Compensation expenses arising on account of share based payments

(₹ In lacs)

Particulars	Period ended	
	31-Dec-20	31-Dec-19
Share based payment expenses to employees	37.23	9.75
Total	**37.23**	**9.75**

f 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	ESOS 2015	ESOS 2016	ESOS 2020
a Exercise price	50	50	100
b Grant date	2nd June 2016	3rd June 2019	29th Sep 2020
c Vesting year	2018-19	2021-22 2022-23	2022-23 2023-24
d Share price at grant date	350	195	463
e Expected price volatility of the company share	20% to 25%	20% to 25%	20% to 25%
f Expected dividend yield	1.18%	0.86%	0.43%
g Risk free interest rate	6.50%	6.92%	6.00%

The expected price volatility is based on the historic volatility.

41 Standards issued and amended but not effective

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments thereto. There is no such notification which would have been made applicable from 1 April,2020.

42 The current condensed interim unaudited standalone financial statementrs have been prepared for the period 01.04.2020 to 31.12.2020, Previous year Balancesheet figures are as at 31.03.2020 and previous period Profit & Loss Account figures are for nine month period ended 31.12.2019.

As per our limited review report of even date annexed

For M C BHANDARI & Co. (Reg no.303002E)
Chartered Accountants

Rabindra Bhandari
Partner
Membership No. 097466

Place: New Delhi
Date: 27th January 2021

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN:00014008

Rishi Baid
Joint Managing Director
DIN:00048585

J. K. Oswal
CFO

Avinash Chandra
Company Secretary

Limited Review Report on Interim Condensed Unaudited IND AS consolidated Financial Statement.

To Board of Directors
Poly Medicure Limited
232-B, IIIrd Floor,
Okhla Industrial Estate, Phase-III,
New Delhi- 110020

We have reviewed the Interim Condensed Unaudited Consolidated Financial Statements of Poly Medicure Limited ("Parent") and its subsidiaries (the parent and its subsidiaries together referred to as 'the group') which comprise the interim condensed consolidated balance sheet as at 31st Dec 2020 and the related interim condensed unaudited consolidated statement of profit and loss(including other comprehensive income), the interim condensed unaudited consolidated statement of cash flow and accompanying interim condensed unaudited consolidated statement of changes in equity for the quarter and nine month period ended 31st Dec 2020 and a summary of significant accounting policies and other explanatory information(together hereinafter referred to as the "Interim Condensed Unaudited IND AS Consolidated Financial Statements"**.**

The management of the Parent is responsible for the preparation and presentation of these interim Condensed unaudited Ind AS Consolidated Financial Statements in accordance with recognition and measurement principles laid down in IND AS 34 'Interim Financial Reporting', and applicable Indian Accounting Standards ("IND-AS") issued by the Institute of Chartered Accountants of India (ICAI) and other recognised accounting practices and policies in India. The Interim Condensed unaudited Consolidated Financial Statements are the responsibility of the Company's management and have been approved by the Board of Directors. Our responsibility is to express a conclusion on the Interim Condensed unaudited Consolidated Financial Statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Regulation, to the extent applicable.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed unaudited Consolidated Financial Statements have not been prepared in all material respects in accordance with recognition and measurement principles laid down in IND AS 34 'Interim Financial Reporting' and applicable Indian accounting standards issued by Institute of Chartered Accountants of India (ICAI) and other recognized accounting practices and policies in India.

Other Matters

i) We did not review the financial results of 2 foreign subsidiaries included in the interim condensed consolidated unaudited financial results, whose financial results reflect total revenues of Rs.1013.31 lacs and Rs.3173.66 lacs, total net profit/ (loss) of Rs.99.77 lacs and Rs.316.80 lacs, for the quarter and nine month period ended 31st Dec 2020, respectively as considered in the interim condensed consolidated unaudited financial results.

The interim condensed consolidated unaudited financial results also includes the Group's share of profit after tax of Rs.51.05 lacs and Rs.163.81 lacs, for the quarter and nine month period ended 31st Dec 2020, respectively as considered in the statement, in respect of one foreign associate, whose financial results have not been reviewed by us.

These financial results are certified by the management of respective companies and our conclusion on the Statement in so far as it relates to the amounts and disclosures in respect of these subsidiaries and associate is based solely on the basis of financial statement as certified and procedures performed by us as stated in paragraph 3 above. Our conclusion on the statement is not modified in respect of above matter.

ii) In respect of subsidiaries and associate located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and are management certified. The Parent's management has converted the financial results of such subsidiaries and associate located outside India from accounting principle generally accepted in their respective country to the accounting principles generally accepted in India. We have reviewed conversion adjustment made by the parent's management. Our conclusion in so far as it relates to balances and affairs of such subsidiaries and associate located outside India is based on the conversion adjustments prepared by the management of the Parent and reviewed by us.

This report on the Interim Condensed unaudited Ind AS Consolidated Financial Statements has been issued solely in connection with proposed QIP placement. Accordingly, this report should not be used, referred to or distributed for any other purpose.

For M C Bhandari & Co.
Chartered Accountants
Firm Registration No. 303002E

Rabindra Bhandari
Partner
Membership No. 097466
UDIN: 21097466AAAAAE1067

Place of signature: New Delhi
Date: 27th Jan. 2021

Annexure I: List of entities consolidated as at Dec 31, 2020

1. Poly Medicure (Laiyang) Co. Ltd.- China - Wholly owned Subsidiary.
2. Poly Medicure BV - Netherlands (Consolidated) – Wholly owned Subsidiary
3. Ultra for Medical Products Co. (UMIC) – Egypt – Associate
4. Plan 1 Health India Pvt. Ltd.– Wholly owned Subsidiary

Poly Medicure Limited
Regd. Office: 232B, 3rd Floor, Okhla Industrial Estate Phase III, New Delhi - 110 020,
www.polymedicure.com, Email: investorcare@polymedicure.com
CIN: L40300DL1995PLC066923

Condensed Interim Unaudited Consolidated Balance Sheet as at 31 December 2020

(₹ in lacs)

Particulars	Note No.	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
ASSETS			
1 **Non-current assets**			
(a) Property, plant and equipment	2	36,026.64	31,241.09
(b) Capital work-in-progress		1,695.58	1,669.64
(c) Right of Use		239.78	309.40
(d) Investment Property	3	454.79	345.91
(e) Goodwill on consolidation		2,858.11	2,858.11
(f) Intangible assets	2	1,639.73	1,540.49
(g) Intangible assets under development		694.95	800.94
(h) Financial Assets			
(i) Investment in associates	4	838.30	723.47
(ii) Other Investments	5	-	222.99
(iii) Other financial assets	7	2,606.58	3,497.31
(i) Other non-current assets	8	1,243.28	1,744.32
Total non-current assets		**48,297.74**	**44,953.67**
2 **Current assets**			
(a) Inventories	9	12,425.45	11,209.49
(b) Financial assets			
(i) Investments	5	4,275.86	1,592.21
(ii) Trade receivables	10	13,502.25	12,711.71
(iii) Cash and cash equivalents	11	821.23	485.74
(iv) Bank balances other than (iii) above	12	1,958.71	2,049.78
(v) Loans	6	38.59	13.71
(vi) Other financial assets	7	296.44	403.81
(c) Other current assets	8	3,781.91	3,312.35
Total current assets		**37,100.44**	**31,778.80**
TOTAL ASSETS		**85,398.18**	**76,732.47**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	4,412.35	4,412.35
(b) Other equity	14	48,736.49	39,070.03
Equity attributable to shareholders of the company		**53,148.84**	**43,482.38**
LIABILITIES			
1 **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	15	7,555.73	11,057.41
(ii) Lease Liabilities		230.84	328.32
(iii) (Other financial liabilities	16	105.03	103.35
(b) Provisions	17	464.96	380.48
(c) Government Grants		536.98	220.48
(d) Deferred tax liabilities (Net)	18	1,244.86	1,448.92
Total non-current liabilities		**10,138.40**	**13,538.96**
3 **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	19	6,599.60	5,701.23
(ii) Lease Liabilties		125.36	104.02
(iii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		823.59	861.95
b) total outstanding dues of creditors other than micro enterprises and small enterprises		6,755.34	5,774.11
(v) Other financial liabilities	21	6,465.91	5,498.22
(b) Other current liabilities	22	1,000.60	1,622.60
(c) Provisions	17	43.33	41.97
(d) Current tax liabilities (net)	23	297.21	107.04
Total current liabilities		**22,110.94**	**19,711.14**
TOTAL LIABILITIES		**85,398.18**	**76,732.47**
Significant accounting policies	a-ab		
The accompanying notes are integral part of the Condensed Interim Unaudited Consolidated financial statements.	1 - 42		

As per our limited review report of even date annexed
For **M C Bhandari & Co. (Reg No.303002E)**
Chartered Accountants

Rabindra Bhandari
Partner
Membership No. 097466

Place : New Delhi
Date : 27th January 2021

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN : 00014008

Rishi Baid
Joint Managing Director
DIN : 00048585

J. K. Oswal
CFO

Avinash Chandra
Company Secretary

2 PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total Tangible	Software	Patent & Trade Marks	Total Intangible	Net Assets
Gross Carrying Value as on 01.04.2019	**1,590.74**	**862.18**	**6,017.55**	**34,844.14**	**544.02**	**965.26**	**900.91**	**45,724.80**	**821.19**	**1,379.05**	**2,200.24**	**47,925.04**
Additions during the year	1,448.50	-	1,061.86	6,124.37	43.61	116.32	148.73	8,943.39	121.89	280.28	402.17	9,345.56
Deductions/Adjustments	-	-	(7.67)	330.25	-	33.55	73.77	429.90	16.66	-	16.66	446.56
Gross Carrying Value as on 31.03.2020	**3,039.24**	**862.18**	**7,087.08**	**40,638.26**	**587.63**	**1,048.03**	**975.87**	**54,238.29**	**926.42**	**1,659.33**	**2,585.75**	**56,824.04**
Accumulated Depreciation as on 01.04.2019	**-**	**59.77**	**1,144.80**	**17,055.13**	**334.72**	**692.53**	**372.43**	**19,659.38**	**368.92**	**480.68**	**849.60**	**20,508.98**
Depreciation for the year	-	9.28	217.52	3,266.93	38.25	94.80	114.89	3,741.67	91.62	120.52	212.14	3,953.81
Deductions/Adjustments	-	-	(2.97)	311.49	-	33.32	62.01	403.85	16.48	-	16.48	420.33
Accumulated Depreciation as on 31.03.2020	**-**	**69.06**	**1,365.29**	**20,010.57**	**372.97**	**754.01**	**425.31**	**22,997.21**	**444.06**	**601.20**	**1,045.26**	**24,042.47**
Carrying Value as on 31.03.2020	**3,039.24**	**793.12**	**5,721.79**	**20,627.69**	**214.66**	**294.02**	**550.56**	**31,241.09**	**482.36**	**1,058.13**	**1,540.49**	**32,781.57**
Gross Carrying Value as on 01.04.2020	**3,039.24**	**862.18**	**7,087.08**	**40,638.26**	**587.63**	**1,048.03**	**975.87**	**54,238.29**	**926.42**	**1,659.33**	**2,585.75**	**56,824.04**
Additions during the year	1,065.14	-	1,397.21	5,500.19	22.98	53.55	28.56	8,067.63	14.12	268.09	282.21	8,349.84
Deductions/Adjustments	-	-	-	34.50	-	4.36	37.46	76.32	-	-	-	76.32
Gross Carrying Value as on 31.12.2020	**4,104.38**	**862.18**	**8,484.29**	**46,103.95**	**610.62**	**1,097.22**	**966.97**	**62,229.61**	**940.54**	**1,927.41**	**2,867.96**	**65,097.56**
Accumulated Depreciation as on 01.04.2020	**-**	**69.06**	**1,365.29**	**20,010.57**	**372.97**	**754.01**	**425.31**	**22,997.21**	**444.06**	**601.20**	**1,045.26**	**24,042.47**
Depreciation for the year	-	6.99	182.63	2,835.55	31.28	95.03	87.79	3,239.26	71.45	111.52	182.97	3,422.23
Deductions/Adjustments	-	-	-	4.99	-	1.96	26.55	33.50	-	-	-	33.50
Accumulated Depreciation as on 31.12.2020	**-**	**76.05**	**1,547.92**	**22,841.13**	**404.25**	**847.08**	**486.55**	**26,202.97**	**515.51**	**712.72**	**1,228.23**	**27,431.20**
Carrying Value as on 31.12.2020	**4,104.38**	**786.13**	**6,936.37**	**23,262.82**	**206.36**	**250.15**	**480.42**	**36,026.64**	**425.04**	**1,214.70**	**1,639.73**	**37,666.37**

2.1 Borrowing cost of ₹ 6.10 lacs (previous year ₹ 5.97 Lacs) have been included in additions to Fixed Assets.

2.2 The estimated amortisation in intangible assets for the period subsequent to 31st December 2020 is as follows:

(₹ in lacs)

Year Ending March 31	Amortisation Expense
2021	219.20
2022	226.90
2023	226.90
Thereafter	966.74

2.3 **Right of Use Asset**

Balance as at 1st April 2020	309.40
Depreciation for the year	69.62
Closing balance as 31st December 2020	239.78

2.4

Depreciation charged for correponding period ended 01.04.2019 to 31.12.2019 is as under:

Particulars	Amount
Tangible	2,883.15
Intangible	148.56
Total	**3,031.71**

Poly Medicure Limited

Regd. Office: 232B, 3rd Floor, Okhla Industrial Estate Phase III, New Delhi - 110 020,
www.polymedicure.com, Email: investorcare@polymedicure.com
CIN: L40300DL1995PLC066923

Condensed Interim Unaudited Consolidated Statement of Profit and Loss for the nine months period ended 31 December 2020

(₹ in lacs)

Particulars	Note No.	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
INCOME			
Revenue from operations	24	57,351.15	51,590.89
Other income	25	1,174.54	1,323.30
Total Revenue		**58,525.69**	**52,914.19**
		64.74357968	67.75847926
EXPENSES			
Cost of materials consumed	26	19,100.27	16,543.29
Purchases of Stock-in-Trade		218.14	64.82
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(666.96)	(350.99)
Employee benefits expense	28	10,422.53	10,392.11
Research and development expenses	29	937.03	846.24
Finance cost	30	1,034.02	1,023.18
Depreciation and amortization expense	31	3,497.91	3,104.40
Other expenses	32	11,322.86	11,714.57
Total Expenses		**45,865.80**	**43,337.62**
		41.64%	**38.17%**
Profit before tax, and share of net profit from associates		**12,659.89**	**9,576.57**
Share of profit from associates		163.81	106.50
Profit before tax		**12,823.70**	**9,683.07**
Tax expenses:			
(1) Current tax		3,334.16	2,566.77
(2) Deferred tax		(199.96)	(247.75)
(3) Tax adjustment for earlier years (net)		(13.30)	41.79
Total tax expenses	33	**3,120.90**	**2,360.81**
Profit after tax		**9,702.80**	**7,322.26**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Acturial gains/(losses) of defined benefit plan		(6.25)	(33.75)
Tax impacts on above		1.57	8.49
Other comprehensive income for the year (net of tax)		**(4.68)**	**(25.26)**
Total comprehensive income for the year		**9,698.12**	**7,297.00**
Profit for the year attributable to:			
Equity holders of the parent		9,702.80	7,322.26
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Equity holders of the parent		9,698.12	7,297.00
Non-controlling interests		-	-
Earnings per equity share: (Face value ₹ 5 each) in rupees	37		
Basic		11.00	8.30
Diluted		10.99	8.29
Significant accounting policies	a-ab		
The accompanying notes are integral part of the Condensed Interim Unaudited Consolidated financial statements.	1 - 42		

As per our limited review report of even date annexed
For **M C Bhandari & Co. (Reg No.303002E)**
Chartered Accountants

Rabindra Bhandari
Partner
Membership No. 097466

Place : New Delhi
Date : 27th January 2021

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN : 00014008

Rishi Baid
Joint Managing Director
DIN : 00048585

J. K. Oswal
CFO

Avinash Chandra
Company Secretary

Condensed Interim Unaudited Consolidated Statement of Changes in Equity for the period ended 31st December 2020

A. Equity share capital

(₹ in Lacs)

Particulars	As at 31-Dec-20	As at 31-Mar-20
At the beginning of the year	4,412.35	4,411.85
Changes in equity share capital during the year	-	0.50
At the end of the year	**4,412.35**	**4,412.35**

B. Other equity

(₹ in Lacs)

Particulars	Reserves and surplus									Other comprehensive income	Total
	Capital Reserve	Capital reserve on change in interest in equity of associates	Securities Premium	Share Based Payment Reserve Account	Foreign currency fluctuation reserve	General Reserve	Retained Earnings	Share in reserve in associates	Share issue expense to be adjusted in securities premium	Re-measurement of defined benefit	
Balance as at 1 April 2019	**46.98**	**248.51**	**34.67**	**30.15**	**460.71**	**16,134.83**	**16,727.76**	**26.32**	**-**	**15.23**	**33,725.15**
Transitional impact upon initial adoption of Ind As 116 (Refer Note 38)							(79.86)				(79.86)
Restated Balance as at 1 April 2019	**46.98**	**248.51**	**34.67**	**30.15**	**460.71**	**16,134.83**	**16,647.90**	**26.32**	**-**	**15.23**	**33,645.29**
Profit for the year							9,587.79				9,587.79
Received during the year			34.67								34.67
Other comprehensive income (net of taxes)										28.59	28.59
Addition in opening balance on account of subsidiary							18.75				18.75
Transfer from retained earnings to General reserve						2,500.00	(2,500.00)				-
Transfer from retained earnings to Capital Reserve							-				-
Addition (deletion) during the year (Net of lapses)				(16.26)							(16.26)
Final Dividend / Dividend tax adjusted							(2,127.73)				(2,127.73)
							(2,127.73)				(2,127.73)
Interim dividend and tax thereon, declared and paid during the year											
Dividend from associate adjusted							-				-
Addition during the year		161.26			(149.09)			14.49	-		26.66
Balance as at 31 March 2020	**46.98**	**409.77**	**69.34**	**13.89**	**311.62**	**18,634.83**	**19,498.98**	**40.81**	**-**	**43.82**	**39,070.03**
Balance as at 1 April 2020	**46.98**	**409.77**	**69.34**	**13.89**	**311.62**	**18,634.83**	**19,498.98**	**40.81**	**-**	**43.82**	**39,070.03**
Transitional impact upon initial adoption of Ind As 116 (Refer Note 38)							-				-
Restated Balance as at 1 April 2020	**46.98**	**409.77**	**69.34**	**13.89**	**311.62**	**18,634.83**	**19,498.98**	**40.81**	**-**	**43.82**	**39,070.03**
Profit for the year							9,702.80				9,702.80
Received during the year	-		-								-
Other comprehensive income (net of taxes)										(4.68)	(4.68)
Addition in opening balance on account of subsidiary							-				-
Transfer from retained earnings to General reserve						-	-				-
Transfer from retained earnings to Capital Reserve							-				-
Addition (deletion) during the year (Net of lapses)				37.24							37.24
Final Dividend / Dividend tax adjusted											-
							-				-
Interim dividend and tax thereon, declared and paid during the year											
Share from associate adjusted							(169.89)				(169.89)
Addition during the year		125.12			(24.25)			10.12			110.99
Share issue expenses to be adjusted againts securities premium (Net of Tax)							-		(9.98)		(9.98)
Balance as at 31 Decemebr 2020	**46.98**	**534.89**	**69.34**	**51.13**	**287.37**	**18,634.83**	**29,031.89**	**50.93**	**(9.98)**	**39.14**	**48,736.49**

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

Poly Medicure Limited
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www.polymedicure.com, Email: investorcare@polymedicure.com
CIN: L40300DL1995PLC066923

Condensed Interim Unaudited Consolidated Statement of Cash Flow for the Nine Months Period ended 31st December 2020

(₹ in Lacs)

	Particulars	Nine months period ended 31 December 2020 (Unaudited) Limited Reviewed	Year ended 31 March 2020 (Audited)
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax and exceptional items	12,659.89	12,358.26
	Adjusted for:		
	Depreciation and amortisation	3,497.91	4,052.78
	Share in Income of Associates	163.81	214.07
	Interest expense	1,034.02	1,831.43
	Interest income	(234.77)	(484.05)
	Dividend/ Governing Council Share	-	(15.61)
	Loss/(profit) on sale of fixed assets, net	(2.13)	(13.04)
	Debts/advances written off	17.35	30.73
	Provision for doubtful debts and advances	31.89	29.34
	Credit balances no longer required, written back	(0.10)	(53.79)
	Deferred employee compensation expenses (net)	37.23	13.89
	Unrealised foreign exchange (gain) /loss	463.65	(407.66)
	Other Comprehensive Income	(6.25)	38.19
	Write off of Non-Controlling Interest		
	Ind As Adjustment for Unrealised Gain on Mutual Fund	(193.05)	(64.40)
	Ind As Adjustment on Govt. Grant & Subsidy	(71.36)	(64.65)
	Ind As Adjustment for Interest Income on Financial Assets	(20.70)	(3.82)
	Ind As Adjustment on Forward Contracts (Net)	(228.05)	334.68
	Ind As Adjustment for Deferred Processing fees	24.02	27.68
	Ind As Adjustment for Interest on Security Deposit against Rent	1.94	3.88
	Other adjustments including minority	(61.44)	23.25
	Operating profit before working capital changes	**17,113.86**	**17,851.16**
	Movement in working capital		
	Decrease/(increase) in inventories	(1,215.96)	(2,830.40)
	Decrease/ (increase) in sundry debtors	(1,253.68)	589.96
	Decrease/(Increase) in financial assets	256.54	(416.40)
	Decrease/(Increase) in other assets	(464.26)	(398.41)
	Increase/ (decrease) in trade payables	1,092.94	1,020.22
	Increase/ (decrease) in other financial liabilities	201.36	(27.86)
	Increase/ (decrease) in other liabilities	(622.00)	780.74
	Increase/ (decrease) in provisions	85.84	74.96
	Cash generated from operations	**15,194.64**	**16,643.98**
	Direct taxes paid (net of refunds)	(3,130.69)	(3,593.48)
	Net cash from operating activities	**12,063.95**	**13,050.50**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(7,463.45)	(10,602.16)
	Purchase of Investments (net)	(2,382.44)	(1,720.09)
	Proceeds from / (Investment in) Fixed Deposits (net)	1,031.01	818.25
	Proceeds from sale of fixed assets	44.96	34.04
	Dividend Income		37.78
	Interest income	262.50	486.33
	Net cash used for investing activities	**(8,507.42)**	**(10,945.85)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings / deferred payment liabilities (net)	(2,084.35)	3,329.48
	Proceeds from Share Allotments	-	5.03
	Share issue expense to be adjusted in share premium	(9.98)	
	Repayment of Lease Liabilities (including interest)	(85.50)	(136.11)
	Dividend and tax thereon Paid	-	(4,247.46)
	Interest / Finance charges paid	(1,041.22)	(1,001.61)
	Net cash from (used for) financing activities	**(3,221.05)**	**(2,050.67)**
	Net increase in cash and cash equivalents (A+B+C)	**335.49**	**53.98**
	Cash and cash equivalents at the beginning of the year	**485.74**	**431.76**
	Cash and cash equivalents at the end of the year	**821.23**	**485.74**
	COMPONENTS OF CASH AND CASH EQUIVALENTS		
	Balances with Banks in current account	804.57	407.62
	Cheques, drafts on hand	-	-
	Cash on hand (including foreign currency notes)	16.66	20.74
	Fixed deposits with banks, having original maturity of three months or less	-	57.38
	Cash and cash equivalents at the end of the year	**821.23**	**485.74**

(₹ in Lacs)

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES	As at Nine months period ended 31 December 2020 (Unaudited) Limited Reviewed	Year ended 31 March 2020 (Audited)
Cash and cash equivalents at the end of the year as per above	**821.23**	**485.74**
Add: Balance with banks in dividend / unclaimed dividend accounts	30.82	30.55
Add: Fixed deposits with banks, having maturity period for less than twelve months	742.23	2,019.23
Add: Fixed deposits with banks (lien marked)	53.65	1,553.05
Add: Fixed deposits with banks, having maturity period for more than	2,151.87	1,592.41
Cash and bank balances as per balance sheet (refer note 7, 11 and 12)	**3,799.80**	**5,680.98**

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

December 31, 2020	Opening Balance	Cash Flow	Non Cash Flow Changes	Closing Balance
Short term secured borrowing	**9,172.16**	1,630.17	10.63	**10,812.96**
Long term secured borrowing	**11,057.41**	(3,714.52)	212.84	**7,555.73**
Total liabilities from financing activities	**20,229.57**	**(2,084.35)**	**223.47**	**18,368.69**

March 31, 2020	Opening Balance	Cash Flow	Non Cash Flow Changes	Closing Balance
Short term secured borrowing	**6,934.31**	1,974.83	263.02	**9,172.16**
Long term secured borrowing	**9,137.97**	1,354.65	564.79	**11,057.41**
Total liabilities from financing activities	**16,072.28**	**3,329.48**	**827.81**	**20,229.57**

Notes
This is the Cash Flow Statement referred to in our limited review report of even date.
The above Condensed Interim Unaudited Consolidated cash Flow statement should be read in conjunction with the accompanying notes

For **M C Bhandari & Co. (Reg No.303002E)**
Chartered Accountants

Rabindra Bhandari
Partner
Membership No. 097466

Place : New Delhi
Date : 27th January 2021

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN : 00048585

J. K. Oswal
CFO

Avinash Chandra
Company Secretary

Notes on Condensed Interim Unaudited Consolidated Financial Statement for the nine months period ended December 31, 2020

(₹ in Lacs)

3	INVESTMENT PROPERTIES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Gross balance at beginning	372.74	372.74
	Additions during the year	114.95	-
	Disposals / Deductions	-	-
	Depreciation for the year	6.07	6.15
	Accumulated Depreciation	(32.90)	(26.83)
	Net balance at the end of reporting period	**454.79**	**345.91**
	Fair Value	**433.34**	**331.34**

	Amount recognised in Statement of Profit & Loss for Investment Properties	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
	Rental Income	**5.23**	**7.03**

The investment properties are leased to tenants under short term cancellation lease with rental payable on monthly basis.

Note 1: The investment properties consist of residential properties in india and have been categorised as investment properties based on nature of its uses. There has been no change in the valuation method adopted.

Note 2: The fair value of Investment properties has been determined on the basis of available circle rates of the property of the concerned registration authority and has been categorised in level 3 fair value.

Note 3: The conveyance deed of four (PY one) Investment properties valued at Rs.275.17 Lacs (PY Rs.160.22 Lacs) are yet to be executed in favor of the company.

(₹ in Lacs)

4	INVESTMENT IN ASSOCIATES	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	(valued at cost unless stated otherwise)				
	Unquoted equity instruments - fully paid				
	Investment in associates	-			
	126,500 (previous Year 96,600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	838.30	723.47		
	Total	**838.30**	**723.47**		
	Aggregate amount of Unquoted Investment	838.30	723.47		
	Aggregate provision for diminuation in the value of Investment	-	-		
	Category wise summary:				
	Financial assets measured at Equity method (net of provision)	838.30	723.47		
	Financial assets measured at fair value through profit and loss	-	-		

(₹ in Lacs)

		Non-current		Current	
5	**OTHER INVESTMENT**	**As at 31 December 2020 (Unaudited) Limited Reviewed**	**As at 31 March 2020 (Audited)**	**As at 31 December 2020 (Unaudited) Limited Reviewed**	**As at 31 March 2020 (Audited)**
	Investment measured at fair value through profit and loss				
	Unquoted				
	In Fixed Maturity Plans				
	UTI FITF Series XXVII - II (1161 DAYS)	-	222.99	-	-
	In Liquid Mutual Funds		-		
	Axis Short Term Fund -Regular Growth	-	-	265.86	-
	Axis Strategic Bond Fund-Regular Growth	-	-	567.48	-
	HDFC Medium Term Debt Fund-Regular Plan-Growth	-	-	1,276.02	1,049.03
	HDFC Short Term Debt Fund - Regular Plan -Growth	-	-	517.26	-
	ICICI Prudential Corporate Bond Fund - Growth	-	-	154.77	-
	ICICI Prudential Balance Advantage Fund- Gr	-	-	32.23	23.15
	ICICI Prudential Short Term Fund - Growth Option	-	-	363.16	-
	IDFC Corporate Bond Fund Regular Plan-Growth	-	-	101.00	-
	Kotak Low Duration Fund Standard Growth (Regular plan)	-	-	379.01	260.75
	L&T Triple AceBondRP (G)	-	-	255.02	-
	SBI Magnum Medium Duration Fund Regular Growth			364.05	-
	Franklin India Savings Fund Retail Option				259.28
	Total	**-**	**222.99**	**4,275.86**	**1,592.21**
	Aggregate amount of Unquoted Investment	-	222.99	4,275.86	1,592.21
	Aggregate provision for diminution in the value of Investment	-	-	-	-
	Category wise summary:				
	Financial assets measured at amortised cost (net of provision)	-	-	-	-
	Financial assets measured at fair value through profit and loss	-	222.99	4,275.86	1,592.21

5.1 Investments made by the company other than those with a maturity of less than one year, are intended to be held for long term.

5.2 In absence of the active market and non-availability of quotes on recognised stock exchange, investment in fixed maturity plan and liquid mutual funds are disclosed as unquoted and fair value is assessed based on NAV of respective funds.

(₹ in Lacs)

		Non-current		Current	
6	**LOANS**	**As at 31 December 2020 (Unaudited) Limited Reviewed**	**As at 31 March 2020 (Audited)**	**As at 31 December 2020 (Unaudited) Limited Reviewed**	**As at 31 March 2020 (Audited)**
	Considered good- Unsecured:				
	Loans and advances to employees	-	-	38.59	13.71
	Others	-	-	-	-
	Total	**-**	**-**	**38.59**	**13.71**

(₹ in Lacs)

		Non-current		Current	
7	**OTHER FINANCIAL ASSETS**	**As at 31 December 2020 (Unaudited) Limited Reviewed**	**As at 31 March 2020 (Audited)**	**As at 31 December 2020 (Unaudited) Limited Reviewed**	**As at 31 March 2020 (Audited)**
	(Unsecured, considered good, unless stated otherwise)				
	Security Deposits				
Security	Considered good	269.67	247.46	180.87	117.78
	Considered doubtful	-	-	8.68	8.68
	Less: Provision for doubtful deposits	-	-	(8.68)	(8.68)
	Interest accrued on bank deposits / Advances	131.39	104.39	53.26	107.99
	Dividend / Governing council share from associates	-	-	-	45.46
	Gain on outstanding forward contracts reveivable	-	-	0.45	-
	Other receivable #	-	-	61.86	132.59
	Non-current bank balances (refer note 12)	2,205.52	3,145.46	-	-
	Total	**2,606.58**	**3,497.31**	**296.44**	**403.81**

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

(₹ in Lacs)

7.1	Movement in the provision for doubtful deposits	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Balance at the beginning of the year	8.68	9.78
	Movement in the amount of provision (Net)	-	(1.10)
	Balalnce at the end of the year	8.68	8.68

(₹ in Lacs)

8	OTHER ASSETS	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	(Unsecured, considered good, unless stated otherwise)				
	Capital Advances				
	Considered Good	1,200.83	1,692.39	-	-
	Considered Doubtful	116.38	97.50	-	-
	Less: Provision for doubtful advances	(116.38)	(97.50)	-	-
	Other loans and advances				
	Advance for goods / services				
	Considered Good #	-	-	1,036.41	664.72
	Considered Doubtful	-	-	3.14	-
	Less: Provision for doubtful advances	-	-	(3.14)	-
	Balance with revenue authorities	-	-	1,132.79	1,602.58
	Advance tax/ tax deducted at source (net of provision)	14.27	14.27	-	-
	Prepaid Expenses	28.18	37.66	174.85	333.59
	GST, Excise Duty, Service tax and VAT refundable	-	-	728.64	109.10
	Export benefits receivable	-	-	709.22	602.36
	Total	**1,243.28**	**1,744.32**	**3,781.91**	**3,312.35**

8.1	Movement in provison for doubtful advances	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Balance at the beginning of the year	97.50	77.08
	Movement in amount of provision (Net)	22.02	20.42
	Written off of provisions	-	-
	Balance at the end of the year	**119.52**	**97.50**

(₹ in Lacs)

9	INVENTORIES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	(Valued at lower of cost and net realisable value)		
	Raw Materials including packing materials	5,861.40	5,277.91
	Goods-in transit	561.95	744.23
	Work-in-progress	2,903.43	2,486.90
	Finished Goods	2,309.08	1,960.81
	Stock-in-trade	78.93	176.78
	Stores and spares	710.66	562.86
	Total	**12,425.45**	**11,209.49**

10	TRADE RECEIVABLES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Considered good- Unsecured	13,502.25	12,711.71
	Considered Doubtful	40.45	30.58
	Less: Provision for Doubtful Debt	(40.45)	(30.58)
	Total	**13,502.25**	**12,711.71**

	Particulars	Outstanding As at end of		Maximum balance outstanding	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Trade receivable includes:				
	Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	159.84	26.96	1,244.25	553.73
	Due from Ultra For Medical Products (UMIC), being associate company	557.31	495.29	687.61	850.09

	Movement in the provision for doubtful debts	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Balance at the beginning of the year	30.58	29.84
	Addition/(Deletion)	9.87	10.02
	Written off out of Provision		(9.28)
	Balance at the end of the year	**40.45**	**30.58**

The concentration of credit risk is limited due to large and unrelated customer base.

(₹ in Lacs)

11	CASH AND CASH EQUIVALENTS	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Balances with Banks		
	In current accounts	804.57	406.62
	In deposit accounts, with less than 3 months maturity period	-	57.38
	Cash on hand (including foreign currency notes)	16.66	20.74
	Cheque in hand	-	1.00
	Total	**821.23**	**485.74**

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

(₹ in Lacs)

12	OTHER BANK BALANCES	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Unclaimed dividend accounts	-	-	30.82	30.55
	Held as margin money	53.65	1,553.05	1,185.66	-
	Deposits with more than 3 months but less than 12 months maturity period	-	-	742.23	2,019.23
	Deposits with more than 12 months maturity period	2,151.87	1,592.41	-	-
	Amount disclosed under the head “other Non Current Financial Assets” (Refer note 7)	(2,205.52)	(3,145.46)		
	Total	**-**	**-**	**1,958.71**	**2,049.78**

13	EQUITY SHARE CAPITAL	As at 31 December 2020		As at 31 March 2020	
		No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
	Authorised share Capital				
	Equity Shares of ₹ 5 each	120,000,000	6,000.00	120,000,000	6,000.00
	Issued, subscribed & paid up shares				
	Equity Shares of ₹ 5 each fully paid up	88,246,980	4,412.35	88,246,980	4,412.35
	Total	**88,246,980**	**4,412.35**	**88,246,980**	**4,412.35**

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

	Particulars	As at 31 December 2020		As at 31 March 2020	
		No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
	At the beginning of the year	88,246,980	4,412.35	88,236,930	4,411.85
	Add: Issued during the year by way of ESOP	-	-	10,050	0.50
	Outstanding at the end of year	**88,246,980**	**4,412.35**	**88,246,980**	**4,412.35**

13.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 (₹ 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 December 2020		As at 31 March 2020	
		No. of Shares	% of Holding	No. of Shares	% of Holding
	Equity Share of ₹ 5 each (Previous Year ₹ 5 each)				
	M/s Ezekiel Global Business Solutions LLP	12,361,320	14.01%	12,361,320	14.01%
	Mr. Rishi Baid	9,993,048	11.33%	9,993,048	11.33%
	M/s Zetta Matrix Consulting LLP	8,319,660	9.43%	8,319,660	9.43%
	Mr. Himanshu Baid	7,907,624	8.96%	7,907,624	8.96%

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

13.5 During the period ended 31st December 2020 the company have not paid any interim or final dividend.

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

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.

(₹ in Lacs)

14	OTHER EQUITY	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Capital Reserves		
	Surplus on re-issue of forfeited shares	13.19	13.19
	Application money received on Preferential Warrants issued to promoters forfeited	33.79	33.79
	Closing Balance	**46.98**	**46.98**
	Capital reserve on change in interest in equity of associates	**534.89**	**409.77**
	Securities Premium		
	Balance at the beginning of the year	69.34	34.67
	Addition during the year	-	34.67
	Closing Balance	**69.34**	**69.34**
	Share Based Payment Reserve Account		
	Balance at the beginning of the year	13.89	30.15
	Addition (deletion) during the year (Net of lapses)	37.24	(16.26)
	Closing Balance	**51.13**	**13.89**
	General Reserve		
	Balance at the beginning of the year	18,634.83	16,134.83
	Add: Transferred from Surplus in Statement of Profit and Loss	-	2,500.00
	Closing Balance	**18,634.83**	**18,634.83**
	Foreign Currency fluctuation Reserve	**287.37**	**311.62**
	Surplus in statement of Profit and Loss		
	Balance at the beginning of the year	19,498.98	16,727.76
	Add: Addition in opening balance on account of subsidiary	-	18.75
	Less:Adjustment on account of initial adoption of Ind AS 116 (Net of deferred tax of Rs.42.89 lacs) Refer Note no 38	-	(79.86)
	Add: Additions during the year	9,702.80	9,587.79
	Less: Dividend adjusted for previous year	-	(1,764.94)
	Less: Dividend tax adjusted for previous year	-	(362.79)
	Less: Interim Dividend	-	(1,764.94)
	Less: Interim Dividend tax	-	(362.79)
	Less: Transferred to General Reserve	-	(2,500.00)
	Less: Share from associate adjusted	(169.89)	-
	Closing Balance	**29,031.89**	**19,498.98**
	Other Comprehensive Income (OCI)		
	Balance at the beginning of the year	43.81	15.23
	Add: Addition during the year	(4.68)	28.59
	Closing Balance	**39.14**	**43.82**
	Shares in reserves in associates	50.93	40.81
	Share issue expenses to be adjusted against securities premium (Net of Deferred Tax)	**(9.98)**	**-**
	Grand Total	**48,736.49**	**39,070.03**

(₹ in Lacs)

15	BORROWINGS	Non-current		Current	
		As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Secured - At Amortised Cost				
	(i) Term loans				
	from banks	7,462.53	10,853.17	3,833.06	3,283.27
	(ii) Others - Vehicle Loan				
	from banks	-	2.68	7.25	17.68
	from others	-	-	-	-
	(iii) Deferred payment liabilities	93.20	201.56	373.05	169.98
	(v) Equipment Financing	-	-	-	-
	Amount disclosed under the head "other current financial liabilities" (note 21)	-	-	**4,213.36**	**3,470.93**
	Total	**7,555.73**	**11,057.41**	**-**	**-**

(₹ in Lacs)

15.1 Term loan comprise of the following:	Non-current		Current	
	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
From Bank				
Rupee Loan #	600.00	1,302.94	800.00	1,038.05
Foreign Currency Loan##	6,862.53	9,550.23	3,033.06	2,245.22

net off of Rs NIL (PY 2.71 Lacs) as finance charge.
net off of Rs.52.71 Lacs (PY 76.74 Lacs) as finance charge.

15.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Installments	Outstanding as at 31.12.2020	Annual repayment schedule		
				2021	2022	2023-24
Rupee Loan #	9.55%	Qtr / Mon	1,400.00	800.00	600.00	-
Foreign Currency Loan ##	2.73%	Qtr	9,948.30	3,058.74	2,939.72	3,949.84
Others - Vehicle Loan	9.35%	Monthly	7.25	7.25	7.25	-

net off of Rs NIL (PY 2.71 Lacs) as finance charge.
net off of Rs.52.71 Lacs (PY 76.74 Lacs) as 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 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.

c Foreign Currency Loan (ECB) of EUR: 4.50 Mn. from HSBC bank (Mauritius) Ltd. is secured by first pari passu charge on entire fixed assets of the company including land, building and other fixed assets(including Plant & Machinery, Office Equipment and Furniture & Fixtures and all other Fixed Assets) of the Company (Present & Future), situated at Plot no. 104 & 105, 115 & 116, HSIIDC, Sector-59, Faridabad, Plot No. 113, Huda, Sector 59, Faridabad, Plot no. 17, SIDCUL, Haridwar and Plot No. PA-010-019, Light Engineering, SEZ, Jaipur and second pari passu charge on stock and receivables of the company.

Foreign Currency Loan of (ECB) of EUR: 6.50 Mn from HSBC bank (Mauritius) Ltd. is secured by first pari passu charge with State Bank of India on entire fixed assets of the Company, including land, building and other fixed assets (including Plant & Machinery) of the Company (Present & Future), situated at Plot no. 104 & 105, 115 & 116, HSIIDC, Sector-59, Faridabad, Plot no. 113, HUDA, Sector 59, Faridabad, Plot no. 17, SIDCUL, Haridwar Plot no. PA-010-019, Light Engineering, SEZ, Jaipur & also first pari-passu charge with HSBC, India on entire fixed assets of the Company including land, building and other fixed assets (including Plant & Machinery) of the Company Present & Future), situated at Plot no. 34, Sector 68, IMT, Faridabad and second pari passu charge with other term lenders, State Bank of India, Citi Bank, HSBC, Mauritius and HSBC, India on stock and receivables of the Company.

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

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

(₹ in Lacs)

16 OTHER NON-CURRENT FINANCIAL LIABILITIES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
Security Deposits from Agents / Others	92.54	76.39
Deferred interest on deferred payment liability	12.49	26.96
Total	**105.03**	**103.35**

(₹ in Lacs)

17 PROVISIONS	Non-current		Current	
	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
Provision for employee benefits				
Gratuity	206.62	147.40	25.38	23.92
Leave Encashment	161.20	143.67	17.95	18.05
Others	97.14	89.41	-	-
Total	**464.96**	**380.48**	**43.33**	**41.97**

18 DEFERRED TAX LIABILITIES

In accordance with IND AS - 12, the company has accounted for deferred taxes during the year as under:
Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets:

(₹ in lacs)

Particulars	As at 31 December 2020					
	Balance as at April 1 2020	Recognised in profit & loss	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,702.57	**(134.06)**		**1,568.51**	**1,568.51**	
Provision for defined benefit plan - P&L	(83.83)	**(0.85)**		**(84.67)**		**(84.67)**
Provision for defined benefit plan - OCI	17.69	**-**	**(1.57)**	**16.12**	**16.12**	
Provision for Bonus	(34.28)	**29.47**		**(4.81)**		**(4.81)**
Provision for doubtful debts and advances	(34.42)	**(7.23)**		**(41.66)**		**(41.66)**
Exchange difference impact under Sec 43A of income tax act.	(87.87)	**(89.10)**		**(176.97)**		**(176.97)**
IND AS 116	(30.95)	**1.81**		**(29.14)**	**-**	**(29.14)**
Others				**(2.52)**		**(2.52)**
Deferred Tax (Assets) / Liabilities	**1,448.92**	**(199.96)**	**(1.57)**	**1,244.86**	**1,584.63**	**(339.76)**

(₹ in lacs)

Particulars	As at 31 March 2020					
	Balance as at April 1 2019	Recognised in profit & loss	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,998.02	**(295.45)**		**1,702.57**	**1,702.57**	
Provision for defined benefit plan - P&L	(55.12)	**(28.71)**		**(83.83)**		**(83.83)**
Provision for defined benefit plan - OCI	8.08	**-**	**9.61**	**17.69**	**17.69**	
Provision for Bonus	(43.89)	**9.61**		**(34.28)**		**(34.28)**
Provision for doubtful debts and advances	(40.78)	**6.36**		**(34.42)**		**(34.42)**
Exchange difference impact under Sec 43A of income tax act.		**(87.87)**		**(87.87)**		**(87.87)**
IND AS 116	(42.89)	**11.94**		**(30.95)**	**-**	**(30.95)**
Deferred Tax (Assets) / Liabilities	**1,823.42**	**(384.11)**	**9.61**	**1,448.92**	**1,720.26**	**(271.34)**

*** Amount recognised during period ended 31st December 2019**

In Profit & Loss Statement : (247.75)

In Other Comprehensive Income: 8.49

18.1 Movement on the deferred tax account is as follows:

(₹ in lacs)

Particulars	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
Balance at the beginning of the year	1,448.92	1,866.31
Transitional IND AS 116 impact	-	(42.89)
Restated Balance as at April 1 2019	**1,448.92**	**1,823.42**
(Credit)/ Charge to the statement of profit and loss	(199.96)	(384.10)
(Credit)/ Charge to other comprehensive income	(1.57)	9.61
Adjusted in Other Equity	(2.52)	-
Balance at the end of the year	**1,244.86**	**1,448.92**

(₹ in Lacs)

19	BORROWINGS - CURRENT	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Secured - from banks		
	Cash / Export Credit Loan	6,459.25	5,436.35
	Borrowing Others(Unsecured)	140.35	264.88
	Total	**6,599.60**	**5,701.23**

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.

(₹ in Lacs)

20	TRADE PAYABLES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Total outstanding dues of micro enterprises and small enterprises:	823.59	861.95
	Total outstanding dues of trade payables and acceptances other than above	6,755.34	5,774.11
		7,578.93	**6,636.06**

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors.

(₹ in Lacs)

	Particulars	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
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	823.59	861.95
	- Interest due		
b	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

(₹ in Lacs)

21	OTHER CURRENT FINANCIAL LIABILITIES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Current maturities of long-term borrowings (Refer note no. 15)	4,213.36	3,470.93
	Interest accrued but not due on borrowings	5.69	6.21
	Interest accrued and due on borrowings / Security deposits	9.75	25.79
	Unpaid dividends	30.82	30.55
	Other payables		
	Employees related liabilities	1,905.80	1,498.89
	Liability on account of outstanding forward contracts	-	227.61
	Payables for capital goods	220.45	178.58
	Dividend Payable	-	-
	Others (includes deferred interest of Rs. 26.04 lacs (PY 11.11 Lacs) on deferred payment liability)	80.04	59.66
	Total	**6,465.91**	**5,498.22**

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

(₹ in Lacs)

22	OTHER CURRENT LIABILITIES	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Advance from customers	613.21	975.06
	Other payables	-	
	Statutory dues	250.06	553.91
	Others	137.33	93.63
	Total	**1,000.60**	**1,622.60**

(₹ in Lacs)

23	CURRENT TAX LIABILITIES (NET)	As at 31 December 2020 (Unaudited) Limited Reviewed	As at 31 March 2020 (Audited)
	Provision for Tax (Net of Prepaid Tax of `Rs. 3,045.72 Lacs) (PY Rs.3209.27 lacs)	297.21	107.04
	Total	**297.21**	**107.04**

(₹ in Lacs)

24	REVENUE FROM OPERATIONS	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
	Sale of products		
	Manufactured goods	56,293.66	50,008.26
	Traded Goods	218.87	73.75
	Other operating revenues		
	Export Incentives	694.70	1,341.90
	Sale of scrap	81.65	103.28
	Other operating revenue of foreign subsidiary	62.27	-
	Others	-	63.70
	Total	**57,351.15**	**51,590.89**

The Disclosures as required by IND AS 115 are as under:

(₹ in Lacs)

The Company disaggregates revenue based on nature of products/geography	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
The revenue disaggregates is as under :		
Revenue based on Geography		
Sales		
Domestic	16,898.37	14,470.33
Export	36,632.50	31,803.87
Sales related to foreign Subsidiaries	2,981.66	3,807.81
Other operating revenue		
Domestic-Export incentives and Scarp	776.35	1,445.18
Other operating revenue of foreign subsidiary	62.27	-
Development Charges	-	63.70
	57,351.15	**51,590.89**
Revenue based on Nature of Products		
Medical Devices	56,512.53	50,082.01
Export incentives	694.70	1,341.90
Scrap	81.65	103.28
Development Charges& other operating revenue of foreign subsidiary	62.27	63.70
	57,351.15	**51,590.89**

Reconciliation of Revenue	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
Gross value of contract price	56,767.83	50,331.45
Less : Variable components i.e.,Rebate & discount	255.30	249.44
Other operating revenue	838.62	1,508.88
Revenue from operation as recognised in final statement	**57,351.15**	**51,590.89**

Reconciliation of Advance received from Customers	Nine months period ended 31 December 2020 (Limited Reviewed)	As at 31 March 2020 (Audited)
Balance at the beginning of the year	975.06	341.73
Less : Revenue recognised out of balance of advance received from customer at beginning of ye	6,151.51	261.80
Add : Advance received during the year from customers for which performance obligation is	5,789.66	895.13
Balance at the clsoe of the year	**613.21**	**975.06**

The Company have orders in hand as at 31st December 2020 for Rs. 6,674.13 lacs, for which performance obligation amounting to Rs.6,674.13 lacs will be recognised as revenue during the next reporting period/year. The company have evaluated the impact of Covid 19 on position of orders in hand as on 31.12.2020 and do not expect any major/significant cancellation/reduction in order value as at the date of approval of the standalone financial statement.

(₹ in Lacs)

25	OTHER INCOME	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
	Interest Income		
	Interest Income on Fixed and other Deposits	234.77	374.18
	Interest Income on Income Tax Refund	-	-
	Interest Income from Financial Assets Measured at Amortised Cost	20.70	2.79
	Dividend/ Governing Council Share	-	-
	Other non-operating income		
	Rental Income from Investment Property	5.23	7.03
	Government Grants and Subsidies	71.36	46.18
	Income from Mutual Funds	10.16	34.04
	Miscellaneous Income	60.09	61.44
	Other Gain		
	Provisions / Liabilities no longer required written back (net)	0.10	13.77
	Gain on fixed assets sold/discarded	2.13	21.04
	Gain on Foreign Exchange Fluctuation (net)	576.95	762.83
	Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	193.05	-
	Total	**1,174.54**	**1,323.30**

(₹ in Lacs)

26	COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
	Raw Material Consumed		
	Inventory at the beginning of the year	4,459.36	2,778.70
	Add: Purchases during the year	16,086.76	14,611.35
	Less: Inventory at the end of the period	4,886.79	4,433.38
	Cost of raw material consumed (A)	**15,659.33**	**12,956.67**
	Packing Material Consumed		
	Inventory at the beginning of the year	818.55	627.52
	Add: Purchases during the year	3,597.00	3,696.30
	Less: Inventory at the end of the period	974.61	737.20
	Cost of packing material consumed (B)	**3,440.94**	**3,586.62**
	Total (A+B)	**19,100.27**	**16,543.29**

The above consumption figures are disclosed on the basis of derived figures and are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.

* Inventory at the beginning of year denotes 01.04.2020
** Inventory at the beginning of year denotes 01.04.2019

(₹ in Lacs)

27	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	9 months ended 31 December 2020	Year ended 31 March 2020	(Increase) / Decrease
	Inventories at the end of period			
	Finished Goods and Stock in Trade*	2,828.60	2,137.59	(691.01)
	Work in progress	2,462.85	2,486.90	24.05
	Addition on account of inventory of new subsidiary	-		-
		5,291.45	**4,624.49**	**(666.96)**
	Inventories at the beginning of year	**9 months ended 31 December 2019**	**Year ended 31 March 2019**	**(Increase) / Decrease**
	Finished Goods and Stock in Trade**	1,636.77	1,207.36	(429.41)
	Work in progress	2,450.66	2,529.08	78.42
	Addition on account of inventory of new subsidiary			-
		4,087.42	**3,736.44**	**(350.99)**

***Inventory at the beginning of year denotes 01.04.2020**
****Inventory at the beginning of year denotes 01.04.2019**

(₹ in Lacs)

28	EMPLOYEES BENEFITS EXPENSES	period ended 31 December 2020 (Limited Reviewed)	period ended 31 December 2019 (Limited Reviewed)
	Salaries, wages and bonus	9,573.07	9,499.47
	Contribution to Provident Fund and others	672.65	744.61
	Share based payment to employees	37.23	9.75
	Staff Welfare Expenses	139.58	138.28
	Total	**10,422.53**	**10,392.11**

(₹ in Lacs)

29	RESEARCH AND DEVELOPMENT EXPENSES	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
	Revenue Expenditure charged to statement of profit and loss		
	Cost of components and Material Consumed (Net)	568.21	540.88
	Employee benefits expenses	275.81	253.61
	Power and Fuel	30.93	42.21
	Travelling & Conveyance	0.88	3.38
	Other Misc Expenses	18.72	6.16
	Legal & Professional Charges	42.25	-

	R&D expenditure relating to Foreign subsidiary	0.23	-
	Total Revenue Expenses	**937.03**	**846.24**
	Capital Expenditure	-	-
	Total amount spent on Research and Development	**937.03**	**846.24**

(₹ in Lacs)

30	**FINANCE COST**	**Nine months period ended 31 December 2020 (Limited Reviewed)**	**Nine months period ended 31 December 2019 (Limited Reviewed)**
	Interest expense		
	Interest on loans	481.41	709.21
	Interest on Income Tax	2.82	4.45
	Exchange difference to the extent considered as an adjustment to interest costs	479.58	254.23
	Interest on Lease Liabilities	9.36	33.40
	Others	-	
	Other amortised borrowing costs	60.85	21.89
	Total	**1,034.02**	**1,023.18**

(₹ in Lacs)

31	DEPRECIATION AND AMORTISATION EXPENSES	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
	Depreciation of tangible assets	3,239.26	2,883.15
	Amortisation of intangible assets	182.97	148.56
	Depreciation of investment properties	6.07	3.08
	Amortisation of Right of Use	69.61	69.61
	Total	**3,497.91**	**3,104.40**

(₹ in Lacs)

32	OTHER EXPENSES	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
	Consumption of stores and spare parts	1,153.18	940.10
	Power and Fuel	1,867.77	1,970.34
	Job Work Charges	4,122.75	4,223.10
	Other Manufacturing Expenses	159.11	69.49
	Repairs to Building	34.81	46.92
	Repairs to Machinery	54.59	55.87
	Repairs to Others	34.58	42.59
	Insurance (Net)	167.57	209.42
	Operating lease	90.02	-
	Short term lease	77.63	120.38
	Rates, Taxes & Fee	96.40	82.62
	Travelling & Conveyance	512.92	760.75
	Legal & Professional Fees	1,006.22	899.98
	Auditors' Remuneration	15.46	15.19
	Commission and Sitting Fees to Non-Executive Directors	77.50	53.50
	Donations	115.91	83.96
	Bank Charges	161.82	160.18
	Advertisement	6.34	2.58
	Commission on sales	388.72	381.14
	Freight & Forwarding (Net)	453.77	382.82
	Business Promotion	39.70	375.13
	Exhibition Expenses	11.91	113.27
	Rebate, Discounts & Claims	103.57	53.22
	Provision for Doubt ful debts / Advances	31.89	11.38
	Bad debts / Misc. Balances written off	17.35	30.49
	CSR Expenditure	184.37	190.58
	Communication expense	38.44	39.02
	Listing fees	4.63	6.42
	Other Miscellaneous Expenses	293.93	394.13
	Total	**11,322.86**	**11,714.57**

(₹ in Lacs)

	Payment to Auditors	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
	Audit Fee	10.50	10.19
	Tax Audit Fee	-	-
	Limited Review of Results	3.00	3.00
	In other capacity		
	(a) For certification work	0.30	0.30
	(b) For Others	0.17	0.10
	Reimbursement of expenses	1.50	1.60
	Total	**15.46**	**15.19**

(₹ in Lacs)

33	TAX EXPENSES	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
	Tax expenses comprises of:		
	Current tax	3,334.16	2,566.77
	Earlier year tax adjustment (net)	(13.30)	41.79
			-
	Deferred tax	(199.96)	(247.75)
	Total	**3,120.90**	**2,360.81**

	Reconciliation of tax expenses and accounting profit multiplied by Indian tax rate	Nine months period ended 31 December 2020 (Limited Reviewed)	Nine months period ended 31 December 2019 (Limited Reviewed)
	Profit before tax and share of profit from associates	12,659.89	9,576.57
	Applicable tax rate	25.17%	25.17%
	Tax at the Indian tax rate of 25.17% (Previous year 25.17%)	3,186.49	2,410.42
	Tax adjustment on account of profit of subsidiary company on consolidation	29.55	12.77
	Adjustment of expenses disallowed under income tax	190.43	132.94
	Adjustment of expenses allowable under income tax	(1.93)	29.55
	Other allowable deduction	(70.37)	(18.92)
	Current Tax (A)	**3,334.17**	**2,566.77**
	Incremental Deferred tax Liability on timing Differences (Net)	(199.96)	(247.75)
	Deferred Tax (B)	**(199.96)**	**(247.75)**
	Tax expenses for earlier year (net)	**(13.30)**	**41.79**
	Tax expenses recognised in the statement of profit and loss	**3,120.91**	**2,360.81**
	Effective tax rate	24.65%	24.65%

Notes to Condensed Interim Unaudited Consolidated Financial Statements for the Nine Months period ended 31 December, 2020

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 condensed interim unaudited consolidated financial statements of the company for the nine months period ended 31st December 2020 were approved and authorized for issue by the Board of directors in their meeting held on 27th January 2021

STATEMENT OF COMPLIANCE

The condensed interim unaudited consolidated financial statements have been prepared in accordance with recognition and measurement principles as laid down in Ind As -34 "Interim Financial Reporting" and other applicable Indian accounting standards (Ind As) and other recognised accounting practices and policies in India and have been prepared for the purpose of including in Preliminary-Placement document for the issue of Equity Shares to Qualified Institutional Placement.

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 condensed interim unaudited consolidated financial statements relates to Poly Medicure Limited ('the Company') and its subsidiary companies (the company and subsidiaries referred to as "Group") and associates. The consolidated financial statements have been prepared on

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 condensed interim unaudited consolidated financial statements are:

Name of the Company	Country of incorporation	Holding as on December 31, 2020	Period of consolidation
Subsidiary			
Poly Medicure (Laiyang) Company Limited, China - Management certified (Unaudited)	China	100%	Apr'20 to Dec'20
Polymed BV, Netherlands - Management certified- Unaudited (Consolidated)	Netherlands	100%	Apr'20 to Dec'20
Plan 1 Health India Pvt Ltd. - Management certified (Unaudited)	India	99.99%	Apr'20 to Dec'20
Associates			
Ultra For Medical Products Company (Ultra Med), Egypt - Audited	Egypt	23%	Jan'20 to Sep'20

Classification of Assets and Liabilities into Current and Non- Current
The Company presents its assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:
a) expected to be realised or intended to be sold or consumed in normal operating cycle;
b) held primarily for the purpose of trading;
c) expected to be realised within twelve months after the reporting period; or
d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

A liability is treated as current when :
a) 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 year and other softwares as 3 years.

(ii) Software: Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible assets with indefinite useful lives (like goodwill, brands), if any, are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from inde finite 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) <u>Cash and cash equivalents:</u>

- 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) <u>Loans & other financial assets:</u>

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.In accordance with Ind AS 115, the company recognises revenue from sale of products and services at a time when performance obligation is satisfied and upon transfer of control of promised products or services to customer in an amount that reflects the consideration the company expects to receive in exchange for their products or services. The company disaggregates the revenue based on nature of products/Geography.

• **Export incentive**:

Export incentives are accounted for on export of goods, if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

• **Dividend income:**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

• **Interest income:**

For all Financial instruments measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

• Rental income:

Rental income on investment properties are accounted for on accrual basis.

n Government Grant

• Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.

• Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

• Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

• In respect of Property, Plant and Equipment purchased under Export Promotion Capital Goods (EPCG) scheme of Government of India, exemption of custom duty under the scheme is treated as, Government Grant and is recognized in Statement of Profit and Loss on fulfillment of associated export obligations.

o Employees Benefits:

i) Short term employee Benefit:

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) Defined Contribution Plan:

Contributions to the Employees' Provident Fund and Employee's State Insurance are recognized as Defined Contribution Plan and charged as expenses in the year in which the employees render the services.

iii) Defined Benefit Plan:

The Leave Encashment (Unfunded) and Gratuity (Funded) are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past Service cost is recognised in the statement of profit and loss in the period of plan amendment. Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligations under employee benefit expenses in the statement of profit and loss.

• Service costs comprising current service costs, gains and losses on curtailments and non-routine Settlements.

• Net interest income or expense.

iv) Long term Employees Benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

v) Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.

The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

(a) when the entity can no longer withdraw the offer of those benefits; and

(b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

p Share based payments:

Equity settled share based payments to employees are measured at fair value of equity instrument at the grant date.The fair value determined at grant date is expensed on straight line basis over the vesting period based on the company's estimate of equity instrument that will eventually vest with corresponding increase in equity. At the end of each reporting period, the company revise its estimate of number of equity instruments expected to vest. The impact of revision of the original estimates, if any, is recognised in statement of profits and loss such that cumulative expense reflect the revised estimate with a corresponding adjustment to Share based Payments Reserve. The dilutive effect of outstanding option is reflected as additional dilution in computation of diluted earning per share.

q Borrowing costs:

(i) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

(ii) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

(iii) All other borrowing costs are recognised as expense in the period in which they are incurred.

r Leases:

In accordance with IND AS 116, the Company recognises right of use assets representing its right to use the underlying asset for the lease term at the lease commecement date. The cost of right of use asset meassered at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before commencement date less any lease incentive received plus any initial direct cost incurred and an estimate of cost to be incurred by lessee in dismentling and removing underlying asset or restoring the underlying asset or site on which it is located. The right of use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment lossess, if any, and adjusted for any remeasurement of lease liability.The right of use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that there carrying amounts may not be recoverable. Impairment loss, if any, is recognise in statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by inceasing the carrying amount to reflect interest on lease liabilty, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised- in-substance fixed lease payments, the company recognises amount of remeasurement of lease liability due to modification as an adjustment to right of use assets and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right of use assets is reduced to zero and there is further reduction in measurement of lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Copmany has elected not to apply the requirements of IND AS 116 to short term leases of all assets that have a lease term of twelve month or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on straight line basis over lease term.

s Taxes on income:

(i) Current Tax:

1. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-Tax Act 1961 and based on the expected outcome of assessments / appeals.

2. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of pro fit 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 Judgments, Estimates and Assumptions:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation of uncertainty related to Global Health Pandemic from COVID-19

The Group has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertanties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company and based on estimates the company expects that the carrying amount of financial assets will be recovered and the company do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of these condensed interim unaudited Consolidated Financial Statement.

i Income taxes:

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the stand alone financial statements.

ii 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 Lease:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to excercise that option and periods covered by an option to terminate the lease if the company is reasonably certain not to excercise that option. In excersing whether the company is reasonably certain to excercise an option to extend a lease or to excercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic

v Depreciation/Amortisation and useful life of Property, Plant and Equipment:

The Company has estimated the useful life of Property, Plant and Equipment (PPE) as specified in schedule II of Companies Act. 2013. However, the actual useful life for individual PPE could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternatively, the equipment may continue to provide useful services well beyond the useful life assigned.

vi 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.

vii Provisions:

The company makes provision for leave encashment and gratuity based on report received from the independent actuary. These valuation reports uses complex valuation models using actuarial valuation. An actuarial valuation involves making various assumption that may differ from actual development in future.

viii Contingencies:

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

ix **Impairment of Goodwill:** Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than the carrying amount, the impairment loss is accounted. For impairment loss, goodwill is allocated to CGU which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purpose. The recoverable amount of CGU is determined based on higher of value in use and fair value less cost to sell and value in use is present value of future cash flows expected to be derived from CGU.

Key assumption in the cash flow projection are prepared based on current economic conditions and comprises estimated long term growth rate, estimated operating margin.

aa Capital:

Debt and equity instruments:

Ordinary equity shares are classified as equity. Debt instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

ab Other Miscellaneous Expenses

Public Issue Expenditure/Share issue expenses on private placement basis/FCCB's issue expenditure is being written off against Securities/Share premium, net of taxes, in the year of issue.

34 Fair value measurement

i Financial instruments: Accounting classification and fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

(₹ in Lacs)

Particulars	31-Dec-20						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	838.30	-	-	838.30	-	-	-
In Fixed Maturity Plans	-	-	-	-	-	-	-
In Liquid Mutual Funds	4,275.86	4,275.86	-	-	-	4,275.86	-
Trade receivables	13,502.25	-	-	13,502.25	-	-	-
Cash & cash equivalents	821.23	-	-	821.23	-	-	-
Other bank balances	1,958.71	-	-	1,958.71	-	-	-
Loans	38.59	-	-	38.59	-	-	-
Other financial assets	2,903.02	-	-	2,903.02	-	-	
Total financial assets	**24,337.96**	**4,275.86**	**-**	**20,062.10**	**-**	**4,275.86**	**-**
Financial liabilities							
Borrowings	14,155.33	-	-	14,155.33	-	-	-
Trade payables	7,578.93	-	-	7,578.93	-	-	-
Lease Liabiliies	356.20			356.20			
Other financial liabilities	6,570.94	-	-	6,570.94	-	-	-
Total financial liabilities	**28,661.40**	**-**	**-**	**28,661.40**	**-**	**-**	**-**

(₹ in Lacs)

Particulars	31-Mar-20						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	723.47	-	-	723.47	-	-	-
In Fixed Maturity Plans	222.99	222.99	-	-	-	222.99	-
In Liquid Mutual Funds	1,592.21	1,592.21	-	-	-	1,592.21	-
Trade receivables	12,711.71	-	-	12,711.71	-	-	-
Cash & cash equivalents	485.74	-	-	485.74	-	-	-
Other bank balances	2,049.78	-	-	2,049.78	-	-	-
Loans	13.71	-	-	13.71	-	-	-
Other financial assets	3,901.12	-	-	3,901.12	-	-	-
Total financial assets	**21,700.73**	**1,815.20**	**-**	**19,885.53**	**-**	**1,815.20**	**-**
Financial liabilities							
Borrowings	16,758.64	-	-	16,758.64	-	-	-
Trade payables	6,636.06	-	-	6,636.06	-	-	-
Lease Liabilities	432.34			432.34			
Other financial liabilities	5,601.57	227.61	-	5,373.96	-	227.61	-
Total financial liabilities	**29,428.61**	**227.61**	**-**	**29,201.00**	**-**	**227.61**	**-**

The carrying amount of bank balances, Trade Receivable, Trade Payable, other financial assets / liabilities, loans, cash and cash equivalents, borrowings are considered to be the same as their fair value due to their short term nature.

The levels have been classified based on the followings:

Level 1: It hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted.
- Close ended mutual funds at NAV's declared by AMFI.
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as FIMMDA (Fixed Income Money Market and Derivative Association of India).
- Derivative Instruments at values determined by counter parties/Banks using market observable data.
- Certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value.

35 CONTINGENT LIABILITIES AND COMMITMENTS

a Contingent liabilities not provided for:

(₹ in Lacs)

Particulars	**Period ended 31-Dec-20**	**Year Ended 31-Mar-20**
Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
Demand from National Pharmaceutical Pricing Authority (Net)	76.88	76.88

b Obligations and commitments outstanding:

Particulars	**Period ended 31-Dec-20**	**Year Ended 31-Mar-20**
Unexpired letters of credit ₹ 1,725.42 lacs (Previous year ₹1,068.77 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,940.69 lacs (Previous year ₹ 1,863.46 lacs), (Net of margins)	1,940.69	2,932.23
Bills discounted but not matured	591.87	890.73
Custom duty against import under EPCG Scheme	1,400.51	1,927.70
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	2,453.19	5,612.40

36 RELATED PARTY DISCLOSURES:

Related party disclosures as required by Ind AS - 24 "Related Party Disclosures" are as under:

A List of related parties and relationships

a Associate

1 Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel & Relative

1 Mr. Himanshu Baid (Managing Director)
2 Mr. Rishi Baid (Joint Managing Director)
3 Mr. J. K. Oswal (CFO)
4 Mr. Avinash Chandra (Company Secretary)
5 Mr. Devendra Raj Mehta (Independent Director)
6 Mr. Prakash Chand Surana (Independent Director)
7 Mr. Shailendra Raj Mehta (Independent Director)
8 Dr. Sandeep Bhargava (Independent Director)
9 Mr. Alessandro Balboni (Additional Director)
10 Mr. Amit Khosla (Independent Director) w.e.f 5th June 2020
11 Mrs. Sonal Mattoo (Independent Director) w.e.f 29th August 2020
12 Mr. J. K. Baid (Director- relative of Managing Director & Joint Managing Director)
13 Mr. Vishal Baid (President- relative of Managing Director & Joint Managing Director)
14 Mrs. Mukulika Baid (Director- relative of Managing Director & Joint Managing Director)

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.
5 Jai Chand Lal Hulasi Devi Baid Charitable Trust

B Transactions with related parties

(₹ In lacs)

Particulars	Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Sales of Goods	**683.64**	**587.96**			**2,298.02**	**942.87**
Ultra for Medical Products Egypt	683.64	587.96				
Vitromed Healthcare					2,298.02	942.87
Purchases of Goods	**-**	**-**			**81.68**	**2.39**
Ultra for Medical Products Egypt	-	-				
Vitromed Healthcare					81.68	2.39
Job work					**3,736.26**	**3,770.28**
Vitromed Health Care					3,736.26	3,770.28
Rent received					**0.15**	**0.15**
Virtomed Healthcare					0.15	0.15
Rent paid					**1.28**	**1.28**
Jai Polypan Pvt. Ltd.					1.28	1.28
CSR Expenses	**4.25**	**-**				
Jai Chand Lal Hulasi Devi Baid Charitable Trust	4.25	-				
Dividend/ Governing Council Share Received	**14.33**	**-**				
Ultra for Medical Products, Egypt	14.33	-				
Directors / Key Managerial Personnels' Remuneration including commission			**1,372.70**	**980.00**		
Mr. Himanshu Baid			659.22	469.66		
Mr. Rishi Baid			661.66	458.93		
Mr. J. K. Oswal			43.18	43.39		
Mr. Avinash Chandra			8.64	8.02		
Defined benefit obligations			**17.68**	**32.45**		
Mr. Himanshu Baid			8.92	17.44		
Mr. Rishi Baid			8.09	14.07		
Mr. J. K. Oswal			0.65	0.80		
Mr. Avinash Chandra			0.02	0.14		
Salary and perquisites			**83.81**	**77.70**		
Mr. Vishal Baid			83.81	77.70		
Commission and Sitting fees			**77.50**	**53.50**		
Mr. J. K. Baid			9.50	8.50		
Mrs. Mukulika Baid			9.50	8.50		
Mr. Devendra Raj Mehta			10.75	9.75		
Mr. Prakash Chand Surana			10.75	9.00		
Mr. Shailendra Raj Mehta			10.00	9.00		
Dr. Sandeep Bhargava			9.75	8.75		
Mr. Amit Khosla			9.00	-		
Mrs. Sonal Mattoo			8.25	-		
Management Fee			**143.40**	**143.73**		
Mr. Alessandro Balboni			143.40	143.73		

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-Dec-20	31-Mar-20	31-Dec-20	31-Mar-20	31-Dec-20	31-Mar-20
Dividend / Share Governing Council outstanding	**-**	**45.46**				
Ultra for Medical Devices	-	45.46				
Directors' Remuneration / Salary payable			**734.44**	**331.90**		
Mr. Himanshu Baid			355.63	161.23		
Mr. Rishi Baid			370.77	162.70		
Mr. Vishal Baid			5.09	4.33		
Mr. J. K. Oswal			2.18	3.10		
Mr. Avinash Chandra			0.77	0.54		
Commission Payable			**54.00**	**48.60**		
Mr. J. K. Baid			6.75	8.10		
Mrs. Mukulika Baid			6.75	8.10		
Mr. Devendra Raj Mehta			6.75	8.10		
Mr. Prakash Chand Surana			6.75	8.10		
Mr. Shailendra Raj Mehta			6.75	8.10		
Dr. Sandeep Bhargava			6.75	8.10		
Mr. Amit Khosla			6.75	-		
Mrs. Sonal Mattoo			6.75	-		
Management Fee & Other Payable			**17.33**	**13.99**		
Mr. Alessandro Balboni			17.33	13.99		
Trade Receivable	**557.31**	**495.29**			**159.84**	**26.96**
Virtomed Healthcare					159.84	26.96
Ultra for Medical Products	557.31	495.29			-	-
Trade Payable / Payable for capital goods	**-**	**-**			**1,118.74**	**406.30**
Virtomed Healthcare					1,118.74	406.30
Ultra for Medical Products						
Advance from customer	**-**	**31.60**				
Ultra for Medical Products	-	31.60				

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

Particulars	Period ended	
	31-Dec-20	31-Dec-19
Net profit after tax available for equity share holders (₹ In lacs)	9,702.80	7,322.26
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	88,246,980	88,246,980
Basic Earnings per Share (in ₹)	11.00	8.30
Diluted Earnings per Share		
Weighted Average no. shares outstanding during the year	88,246,980	88,246,980
Effect of dilutive issue of stock options	56,828	34,378
Weighted Average no. shares outstanding for diluted EPS	88,303,808	88,281,358
Diluted Earnings per Share (in ₹)	10.99	8.29

38 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	Period ended	
	31-Dec-20	31-Dec-19
Employers' contribution to provident fund * #	400.48	432.55

* 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
₹ 9.21 lacs (PY ₹ 12.56 lacs).

II Defined Benefit Plan

The company has formed a employees gratuity trust which is administrated by Life Insurance Corporation of India (LIC). The company makes contribution towards funding the defined benefit plan pertaining to gratuity to LIC. The Leave Encashment liability is not contributed to any fund and is unfunded. The present value of the defined benefit obligation and related current cost are measured using projected unit credit method with 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	Period ended	
	31-Dec-20	31-Mar-20
Obligations at year beginning*	333.23	321.58
Service Cost - Current	45.54	50.93
Service Cost - Past	-	-
Interest expenses	17.29	24.60
Acturial (gain) / Loss on PBO	3.34	(38.98)
Benefit payments	(10.29)	(24.91)
Addition due to transfer of employee	-	-
Obligations at year end	**389.11**	**333.23**

* **Beginning period denotes 01.04.2020 & 01.04.2019**

(ii) Change in plan assets

(₹ In lacs)

Particulars	Period ended	
	31-Dec-20	31-Mar-20
Fair value of plan assets at the beginning of the period*	161.91	157.55
Actual return on plan assets	6.17	12.16
Less- FMC Charges	(0.68)	(0.90)
Employer contribution	-	18.00
Benefits paid	(10.29)	(24.91)
Fair value of plan assets at the end of the period	**157.11**	**161.91**

* **Beginning period denotes 01.04.2020 & 01.04.2019**

(iii) Assets and Liabilities recognized in the Balance Sheet

(₹ In lacs)

Particulars	Period ended	Year ended
	31-Dec-20	31-Mar-20
Present Value of the defined benefit obligations	389.11	333.23
Fair value of the plan assets	157.11	161.91
Amount recognized as Liability	**232.00**	**171.32**

(iv) Defined benefit obligations cost for the year:

(₹ In lacs)

Particulars	Period ended	
	31-Dec-20	31-Dec-19
Service Cost - Current	45.54	48.74
Service Cost - Past	-	-
Interest Cost	8.89	9.41
Expected return on plan assets	-	-
Actuarial (gain) loss	-	-
Net defined benefit obligations cost	**54.43**	**58.15**

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

(₹ In lacs)

Particulars	Period ended	
	31-Dec-20	31-Dec-19
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	(3.34)	(33.14)
Actuarial gain /(loss) for the year on Asset	(2.91)	(0.62)
Unrecognized actuarial gain/(loss) for the year	**(6.25)**	**(33.75)**

(vi) Investment details of Plan Assets

Particulars	Period ended	Year ended
	31-Dec-20	31-Mar-20
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:

Particulars	Period ended	Year ended
	31-Dec-20	31-Mar-20
Discount Rate per annum	6.61%	6.92%
Future salary increases	4.00%	4.00%

Note: Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(viii) Demographic Assumptions:

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

Particulars	Period ended	
	31-Dec-20	**31-Mar-20**
i) Retirement Age (Years)	60.00	60.00
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	
iii) Attrition at Ages	WithdrawalRate (%)	
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)

	Period ended				
	31-Dec-20	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
Defined benefit obligations	389.11	333.23	321.58	268.28	260.83
Plan assets	(157.11)	(161.91)	(157.55)	(137.22)	(5.00)
Deficit /(Surplus)	**232.00**	**171.32**	**164.03**	**131.06**	**255.83**

(x) Expected Contribution to the Fund in the next year (₹ In lacs)

	Period ended	
	31-Dec-20	**31-Dec-19**
Service Cost	71.75	72.20
Net Interest Cost	15.34	16.94
Expected contribution for next annual reporting perod	**87.08**	**89.14**

(xi) Sensitivity Analysis

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is :

(₹ In lacs)

	Change in Assumption		Increase in Assumption			Decrease in Assumption		
	31-Dec-20	31-Mar-20	Impact	31-Dec-20	31-Mar-20	Impact	31-Dec-20	31-Mar-20
Discount	0.50%	0.50%	Decrease by	(26.81)	(20.65)	Increase by	24.31	22.75
Future	0.50%	0.50%	Increase by	25.91	21.85	Decrease by	(23.60)	(19.91)

The above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.

(xii) Maturity Profile of Defined Benefit Obligation (₹ In lacs)

Sr. No.	Year	Amount
a	0 to 1 Year	25.38
b	1 to 2 Year	6.76
c	2 to 3 Year	7.30
d	3 to 4 Year	7.77
e	4 to 5 Year	10.86
f	5 to 6 Year	7.66
g	6 Year onwards	323.39

(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 ₹ 179.15 lacs form part of long term provision ₹ 161.20 Lacs (PY ₹ 143.67 Lacs) and short term provision ₹ 17.95 Lacs (PY ₹ 18.05 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

39 SEGMENT INFORMATION:

Description of segment and principal activity.

The Group is primarily in the business of manufacture and sale of medical devices. Operating segments are reported in the manner consistent with internal reporting to Managing director of the company. The Group has regular reviews procedures in place and Managing director reviews the operations of the Group as a whole, Hence there are no reportable segments as per Ind AS 108 Operating segment.

Information about Geographical areas

The following information discloses revenue from customers based on geographical areas.

i) Revenue on product group wise (Ind AS 108, Para 32)

(₹ In lacs)

Particulars	**Period ended**	
	31-Dec-20	**31-Dec-19**
Medical Devices	56,512.53	50,082.01
	56,512.53	**50,082.01**

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

(₹ In lacs)

Particulars	**Period ended**	
	31-Dec-20	**31-Dec-19**
With in India	16,898.37	14,470.33
Outside India (Including Revenue of foreign subsidiaries)	39,614.16	35,611.68
	56,512.53	**50,082.01**

iii) None of the non-current assets of standalone company (other than financial instruments, investment in associates) are located outside India. The non-current assets of foreign subsidiaries (other than financial instruments, goodwill and investment) located outside India are as under:

(₹ In lacs)

Country where assets are located	**Year ended**	
	31-Dec-20	**31-Mar-20**
China	461.87	488.29
Netherlands	0.84	0.97
Italy	309.11	198.02
	771.82	**687.29**

iv) None of the customers of the Group individually account for 10% or more sale.

40 SHARE BASED PAYMENTS:

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

• The vesting period is as under:

- On completion of 24 months from the date of grant of Options - 50%
- On completion of 30 months from the date of grant of Options- 50%

• The exercise price of the option is ₹ 50 each, which are to be paid by the employees to the Company on the exercise of the options.

The exercise period commences from the date of vesting of the options and expires at the end of 3 months from the date of such vesting or such extended period. Out of total 20,100 Equity Shares vested during 2018-19, 10,050 Equity Shares of Rs.5 each was excercised during 2018-19 and balance 10,050 equity shares in 2019-20.

The company has also formulated "Poly Medicure Employee Stock Option Scheme, 2016 (ESOS 2016)" duly approved by the share holders in the annual general meeting held on 27th Sep 2016,in accordanace of which the ESOP Commitee of Board of Directors of the company held on 27th sep 2016 has granted 42950 equity shares to eligible employee on the following terms & Conditions:
All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting,failing which the option shall lapse, or such other date as decided by the compensation committee.
Provided, however that in case of cessation of employment,the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.
The vesting period for the conversion of options are as follows:
On completion of 24 months from the date of grant of option: 50% vests.
On completion of 36 months from the date of grant of option: 50% vests.

The company has also formulated "Poly Medicure Employee Stock Option Scheme, 2020 (ESOP 20120)" duly approved by the share holders in the annual general meeting held on 29th Sept 2020 in accordanace of which the ESOP Commitee of Board of Directors of the company held on 6th November 2020 has granted 63100 equity shares to eligible employees on the following terms & Conditions:
All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting,failing which the option shall lapse, or such other date as decided by the compensation committee.
Provided, however that in case of cessation of employement,the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.
The vesting period for the conversion of options are as follows:
On completion of 24 months from the date of grant of option: 50% vests.
On completion of 36 months from the date of grant of option: 50% vests.

a Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOS 2015)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value at grant date
(Year of Grant)				
2016-17	23500	2018-19	50	296

b Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOS 2016)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value at grant date
(Year of Grant)				
2019-20	42950	2021-22 2022-23	50	147

c Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOP 2020)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value
Year of Grant)				
2020-21	63100	2022-23	100	374

c Movement of share options during the year

Particulars	As at 31st December 2020		As at 31st March 2020	
	Number of share options	Exercise Price	Number of share options	Exercise Price
Balance at the beginning of the year	41,550	50	10,050	50
Granted during the year (ESOP-2020)	63,100	100		
Granted during the year (ESOS 2016)	-	-	42,950	50
Forfeited during the year (ESOS 2016)	800	-	1,400	50
Exercised during the year (ESOS 2015)	-	-	10,050	50
Expired / Lapsed during the year	-	-	-	-
Balance Options to be be exercised at the end of the year	103,850	50 & 100	41,550	50

d Compensation expenses arising on account of share based payments

(₹ In lacs)

Particulars	Period ended	
	31-Dec-20	31-Dec-19
Share based payment expenses to employees	37.23	9.75
Total	**37.23**	**9.75**

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	ESOS 2016	ESOS 2016	ESOS 2020
a Exercise price	50	50	100
b Grant date	2nd June 2016	3rd June 2019	29th Sep 2020
c Vesting year	2018-19	2021-22 2022-23	2022-23 2023-24
d Share price at grant date	350	195	463
e Expected price volatility of the company share	20% to 25%	20% to 25%	20% to 25%
f Expected dividend yield	1.18%	0.86%	0.43%
g Risk free interest rate	6.50%	6.92%	6.00%

The expected price volatility is based on the historic volatility.

41 Standards issued and amended but not effective

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments thereto. There is no such notification which would have been made applicable from Ist April,2020.

42 The current condensed interim unaudited consolidated financial statementrs have been prepared for the period 01.04.2020 to 31.12.2020, Previous year Balancesheet figures are as at 31.03.2020 and previous period Profit & Loss Account figures are for nine month period ended 31.12.2019.

As per our limited review report of even date annexed

For M C BHANDARI & Co. (Reg no.303002E)
Chartered Accountants

Rabindra Bhandari
Partner
Membership No. 097466

Place: New Delhi
Date: 27th January 2021

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN:00014008

Rishi Baid
Joint Managing Director
DIN:00048585

J. K. Oswal
CFO

Avinash Chandra
Company Secretary

POLY MEDICURE LIMITED

Regd. Office: 232B, 3rd Floor, Okhla Industrial Estate Phase III, New Delhi - 110 020
Website: www.polymedicure.com, E-mail: investorcare@polymedicure.com, CIN: L40300DL1995PLC066923
STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 DECEMBER, 2020

(₹ in lacs except per share data)

	Particulars	Standalone					Consolidated					Standalone	Consolidated
		Quarter Ended			Nine Months Ended		Quarter Ended			Nine Months Ended		Year Ended	Year Ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	**Income**												
a	Revenue from Operations	19,402.72	19,022.90	17,140.52	54,487.38	48,698.74	20,351.01	19,962.54	18,043.99	57,351.15	51,590.89	64,616.24	68,723.90
b	Other income	478.67	362.04	398.10	1,185.71	1,316.57	504.38	323.46	403.56	1,174.54	1,323.30	1,858.38	1,846.34
	Total income	**19,881.39**	**19,384.94**	**17,538.62**	**55,673.09**	**50,015.31**	**20,855.39**	**20,286.00**	**18,447.55**	**58,525.69**	**52,914.19**	**66,474.62**	**70,570.24**
2	**Expenses**												
a	Cost of materials consumed	6,061.48	6,330.18	5,467.25	17,279.25	15,141.96	6,717.49	6,849.84	5,983.91	19,100.27	16,543.29	20,701.20	22,522.01
b	Purchases of stock-in-trade	46.18	84.52	34.11	218.14	64.82	46.18	84.52	34.11	218.14	64.82	70.55	70.55
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	321.52	(648.04)	(84.87)	61.46	(212.13)	25.59	(911.05)	(222.62)	(666.96)	(350.99)	(777.32)	(888.06)
d	Employee benefits expense	3,438.21	3,373.95	3,233.11	9,587.72	9,570.10	3,735.84	3,660.41	3,485.87	10,422.53	10,392.11	12,734.15	13,876.44
e	Research and development expenses	327.41	311.09	280.23	936.80	846.24	327.41	311.09	280.23	937.03	846.24	1,154.77	1,194.24
f	Finance cost	461.61	263.84	519.89	988.54	973.99	477.97	277.22	540.23	1,034.02	1,023.18	1,765.51	1,831.43
g	Depreciation and amortisation expense	1,225.29	1,114.26	1,045.52	3,410.13	3,019.10	1,256.14	1,143.74	1,081.01	3,497.91	3,104.40	3,928.43	4,052.78
h	Other expenses	3,566.66	4,167.09	3,725.75	10,862.96	11,073.37	3,717.87	4,316.08	3,926.44	11,322.86	11,714.57	14,719.00	15,552.59
	Total expenses	**15,448.36**	**14,996.89**	**14,220.99**	**43,345.00**	**40,477.45**	**16,304.49**	**15,731.85**	**15,109.18**	**45,865.80**	**43,337.62**	**54,296.29**	**58,211.98**
3	**Profit from operations before exceptional items (1-2)**	**4,433.03**	**4,388.05**	**3,317.63**	**12,328.09**	**9,537.86**	**4,550.90**	**4,554.15**	**3,338.37**	**12,659.89**	**9,576.57**	**12,178.33**	**12,358.26**
4	**Exceptional Items**												
5	Share of Profit of an associate						51.05	43.06	24.50	163.81	106.50		214.07
6	**Profit before tax**	**4,433.03**	**4,388.05**	**3,317.63**	**12,328.09**	**9,537.86**	**4,601.95**	**4,597.21**	**3,362.87**	**12,823.70**	**9,683.07**	**12,178.33**	**12,572.33**
7	Tax expense												
a	Current tax	1,179.39	1,135.89	868.94	3,304.61	2,566.77	1,169.03	1,167.64	868.94	3,334.16	2,566.77	3,272.79	3,317.28
b	Deferred tax	(84.58)	(71.37)	(49.56)	(199.96)	(247.75)	(84.58)	(71.37)	(49.56)	(199.96)	(247.75)	(384.10)	(384.10)
c	Earlier Year Taxes	(13.30)	-	41.79	(13.30)	41.79	(13.30)	-	41.79	(13.30)	41.79	51.36	51.36
	Total Tax Expense	**1,081.51**	**1,064.52**	**861.17**	**3,091.35**	**2,360.81**	**1,071.15**	**1,096.27**	**861.17**	**3,120.90**	**2,360.81**	**2,940.05**	**2,984.54**
8	**Profit for the period**	**3,351.52**	**3,323.53**	**2,456.46**	**9,236.74**	**7,177.05**	**3,530.80**	**3,500.94**	**2,501.70**	**9,702.80**	**7,322.26**	**9,238.28**	**9,587.79**
9	**Other Comprehensive Income**												
	Items that will not be reclassified to profit or loss :												
	Remeasurements of defined benefit obligations	(14.16)	16.99	(26.23)	(6.25)	(33.75)	(14.16)	16.99	(26.23)	(6.25)	(33.75)	38.19	38.19
	Tax impacts on above	3.56	(4.28)	6.60	1.57	8.49	3.56	(4.28)	6.60	1.57	8.49	(9.61)	(9.61)
	Total Other Comprehensive Income	**(10.60)**	**12.71**	**(19.63)**	**(4.68)**	**(25.26)**	**(10.60)**	**12.71**	**(19.63)**	**(4.68)**	**(25.26)**	**28.58**	**28.58**
10	**Total comprehensive income (comprising profit after tax and other comprehensive income after tax for the period)**	**3,340.92**	**3,336.24**	**2,436.83**	**9,232.06**	**7,151.79**	**3,520.20**	**3,513.65**	**2,482.07**	**9,698.12**	**7,297.00**	**9,266.86**	**9,616.37**
11	**Net Profit attributable to:**												
	Equity holders of the parent	-	-	-	-	-	**3,530.80**	**3,500.94**	**2,501.70**	**9,702.80**	**7,322.26**		**9,587.79**
	Non-controlling interests	-	-	-	-	-	-	-	-			-	-
12	**Other Comprehensive income attributable to:**												
	Equity holders of the parent	-	-	-	-	-	**(10.60)**	**12.71**	**(19.63)**	**(4.68)**	**(25.26)**	-	**28.58**
	Non-controlling interests	-	-	-	-	-	-	-	-		-	-	
13	**Total comprehensive income attributable to:**												
	Equity holders of the parent	-	-	-	-	-	**3,520.20**	**3,513.65**	**2,482.07**	**9,698.12**	**7,297.00**	-	**9,616.37**
	Non-controlling interests	-	-	-	-	-	-	-	-			-	
14	Paid-up equity share capital (Face Value of ₹ 5 each)	4,412.35	4,412.35	4,412.35	4,412.35	4,412.35	4,412.35	4,412.35	4,412.35	4,412.35	4,412.35	4,412.35	4,412.35
15	Earnings per share (Quarterly not annualised) :												
	Basic (₹)	3.80	3.77	2.78	10.47	8.13	4.00	3.97	2.83	11.00	8.30	10.47	10.86
	Diluted (₹)	3.79	3.76	2.78	10.46	8.13	3.99	3.96	2.83	10.99	8.29	10.46	10.86

Notes:

1 The above standalone and consolidated results were reviewed and recommended by the Audit Committee & approved by the Board of Directors at their respective meetings held on 27th Jan,2021. The Statutory auditors have conducted a limited review of the above financial results.

2 The standalone and consolidated financial results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013.

3 The Consolidated unaudited Financial Results of the company and its Foreign Subsidiaries/Indian subsidiary (Group) and associate have been prepared as per IND AS 110 "Consolidated Financial statements" and IND AS 28 on "Investment in Associates". The following entities have been considered in Consolidated quarterly financial statements.

1. Poly Medicure (Laiyang) Co. Ltd – Wholly owned Subsidiary
2. Poly Medicure B V – Netherlands(Consolidated) – Wholly owned Subsidiary
3. Plan 1 health India Pvt Ltd.- Wholly owned Subsidiary
4. Ultra for Medical Products Co.(UMIC) Egypt – Associate

4 During the nine month period ended 31,December 2020, 63100 Equity shares at a face value of Rs 5 each have been granted to eligible employees in pursuance of Employees Stock option scheme 2020 at an exercise price of Rs 100 per share.

5 In line with the provisions of Ind As 108- Operating Segments and on the basis of review of operations being done by the management of the Company, the operations of the group falls under medical devices, which is considered to be the only reportable segment by the management.

6 The company continues to monitor the impact of COVID 19 on its bussiness including its impact on customers, supply chain etc. Due care has been exercised in concluding on significant accounting judgement and estimates including in relation to recoverability of receivables, inventory and other financial assets based on information available to date while preparing the company's financial results as of and for the quarter and nine month period ended 31 December 2020.

7 Previous period figures have been regrouped wherever necessary to conform to the current period classification.

Place : New Delhi
Date : 27th Jan 2021

Himanshu Baid
Managing Director

POLY MEDICURE LIMITED

Regd. Office: 232B, 3rd Floor, Okhla Industrial Estate Phase III, New Delhi - 110 020,

Website: www.polymedicure.com, E-mail: investorcare@polymedicure.com, CIN: L40300DL1995PLC066923

STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH PERIOD ENDED 31 DECEMBER, 2020

(₹ in lacs except per share data)

	Particulars	Standalone			Consolidated		
		Quarter Ended	Nine Months Ended	Quarter Ended	Quarter Ended	Nine Months Ended	Quarter Ended
		31.12.2020	31.12.2020	31.12.2019	31.12.2020	31.12.2020	31.12.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Total Income from operations	19,881.39	55,673.09	17,538.62	20,855.39	58,525.69	18,447.55
2	Net Profit from ordinary activities after tax	3,351.52	9,236.74	2,456.46	3,530.80	9,702.80	2,501.70
3	Net Profit for the period after tax (after Extraordinary items)	3,351.52	9,236.74	2,456.46	3,530.80	9,702.80	2,501.70
4	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	3,340.92	9,232.06	2,436.83	3,520.20	9,698.12	2,482.07
5	Equity paid up share capital	4,412.35	4,412.35	4,412.35	4,412.35	4,412.35	4,412.35
6	Earnings per share (Quarterly not annualised) :						
	Basic (₹)	3.80	10.47	2.78	4.00	11.00	2.83
	Diluted (₹)	3.79	10.46	2.78	3.99	10.99	2.83

1 The above standalone and consolidated results were reviewed and recommended by the Audit Committee & approved by the Board of Directors at their respective meetings held on 27th Jan,2021. The Statutory auditors have conducted a limited review of the above financial results.

2 The above is an extract of the detailed format of Standalone and Consolidated Financial Results for the Quarter and nine month period ended December 31,2020 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The full format of the unaudited Financial Results are available on the Stock Exchange websites, www.bseindia.com, www.nseindia.com and on the company website www.polymedicure.com.

Place : New Delhi
Date : 27th Jan 2021

Himanshu Baid
Managing Director

Independent Auditors' Review Report on the Quarterly and year to date Unaudited Standalone Financial Results of the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To Board of Directors
Poly Medicure Limited
232-B, IIIrd Floor,
Okhla Industrial Estate, Phase-III,
New Delhi- 110020

We have reviewed the accompanying statement of unaudited standalone financial results of Poly Medicure Limited ("the company") for the quarter and Nine months period ended 31st Dec 2020 attached herewith, being submitted by the company pursuant to the requirements of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). This statement is the responsibility of the Company's Management and approved by the Board of Directors has been compiled from the related interim financial statements which has been prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34), specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M C Bhandari & Co.
Chartered Accountants
Firm Registration No. 303002E

Rabindra Bhandari
Partner
Membership No. 097466
UDIN: 21097466AAAAAB5782

Place of signature: New Delhi
Date: 27th Jan. 2021

Independent Auditors' Review Report on the Quarterly and year to date Unaudited Consolidated Financial Results of the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

To Board of Directors
Poly Medicure Limited
232-B, IIIrd Floor,
Okhla Industrial Estate, Phase-III,
New Delhi- 110020

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Poly Medicure Limited (" Parent") and its subsidiaries (the parent and its subsidiaries together referred to as 'the group') and its share of the profit after tax of its associate for the quarter and nine months period ended 31st Dec, 2020 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019('the Circular').

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34, (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Regulation, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the statement.

5. We did not review the financial results of 2 foreign subsidiaries included in the consolidated unaudited financial results, whose financial results reflect total revenues of Rs.1013.31 lacs and Rs.3173.66 lacs, total net profit of Rs.99.77 lacs and Rs.316.80 lacs, for the quarter and

nine months period ended 31st Dec 2020, respectively as considered in the consolidated unaudited financial results.

The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs.51.05 lacs and Rs.163.81 lacs, for the quarter and nine months period ended 31st Dec 2020, respectively as considered in the statement, in respect of one foreign associate, whose financial results have not been reviewed by us.

These financial results are certified by the management of respective companies and our conclusion on the Statement in so far as it relates to the amounts and disclosures in respect of these subsidiaries and associate is based solely on the basis of financial statement as certified and procedures performed by us as stated in paragraph 3 above. Our conclusion on the statement is not modified in respect of above matter.

6. In respect of subsidiaries and associate located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and are management certified. The Parent's management has converted the financial results of such subsidiaries and associate located outside India from accounting principle generally accepted in their respective country to the accounting principles generally accepted in India. We have reviewed conversion adjustment made by the parent's management. Our conclusion in so far as it relates to balances and affairs of such subsidiaries and associate located outside India is based on the conversion adjustments prepared by the management of the Parent and reviewed by us.

7. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the financial statements as certified by the management referred to paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with recognition and measurement principles laid in the aforesaid Indian Accounting Standard specified under Section 133 of Companies Act,2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation, read with circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M C Bhandari & Co.
Chartered Accountants
Firm's Registration number: 303002E

Rabindra Bhandari
Partner
Membership number: 097466
UDIN:21097466AAAAAC1604

Place: New Delhi
Date: 27th Jan 2021.

Annexure I: List of entities consolidated as at Dec 31, 2020

1. Poly Medicure (Laiyang) Co. Ltd.- China - Wholly owned Subsidiary.
2. Poly Medicure BV - Netherlands (Consolidated) – Wholly owned Subsidiary
3. Ultra for Medical Products Co. (UMIC) – Egypt – Associate
4. Plan 1 Health India Pvt. Ltd.– Wholly owned Subsidiary

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 31 March, 2020, 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 31 March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

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

Information Other than the Standalone Financial Statements and 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. The other information is expected to be made available to us after the date of this Auditor report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, as for the year ended 31 March, 2020 the other information has not yet been prepared and not yet approved by Board of Directors.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

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

   e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M C Bhandari & Co.**
Chartered Accountants
Firm's registration number: 303002E

Rabindra Bhandari
Partner
Membership number: 97466
UDIN:20097466AAAAAJ8462

Place: New Delhi
Date: 5th June 2020

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 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal financial Controls over financial Reporting

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

compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M C Bhandari & Co.**
Chartered Accountants
Firm's registration number: 303002E

Rabindra Bhandari
Partner
Membership number: 97466
UDIN:20097466AAAAAJ8462

Place: New Delhi
Date: 5th June 2020

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 2020, we report that:

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

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

(c) According to the information and explanations given to us, the records examined by us and based on the examination of conveyance deed/ registered sale deeds provided to us, we report that, the title deeds, comprising all immovable properties of land and building which are freehold, are held in the name of the Company as at the balance sheet date other than one investment property (WDV: Rs. 160.22 lacs) for which conveyance deed is pending for execution. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the Standalone Financial Statements, the lease agreements are in the name of the Company.

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

(iii) According to the information and explanation given to us, 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 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, duty of custom, or duty of excise, or value added tax, Cess or Goods & Service Tax (GST) which have not been deposited with the appropriate authorities on account of any dispute.

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

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us, term loans raised during the year were applied for the purpose for which those were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations 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 **M C Bhandari & Co.**
Chartered Accountants
Firm's registration number: 303002E

Rabindra Bhandari
Partner
Membership number: 97466
UDIN:20097466AAAAAJ8462

Place: New Delhi
Date: 5th June 2020

Poly Medicure Limited

Standalone Balance Sheet as at 31 March, 2020

(₹ in Lacs)

Particulars			Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS					
1	**Non-current assets**				
	(a)	Property, plant and equipment	2	30,657.30	25,506.56
	(b)	Capital work-in-progress		1,669.64	929.20
	(c)	Right of Use Asset		309.40	-
	(d)	Investment Properties	3	345.91	352.07
	(e)	Intangible assets	2	1,449.50	1,347.44
	(f)	Intangible assets under development		788.44	923.70
	(g)	Financial Assets			
		(i) Investment in subsidiaries/associates	4	3,979.85	3,978.85
		(ii) Other Investments	5	222.99	224.04
		(iii) Other financial assets	7	3,497.31	1,124.54
	(h)	Other non-current assets	8	1,744.32	796.46
	Total non-current assets			**44,664.66**	**35,182.86**
2	**Current assets**				
	(a)	Inventories	9	10,096.42	7,411.71
	(b)	Financial assets			
		(i) Investments	5	1,592.21	26.76
		(ii) Trade receivables	10	12,044.80	12,414.02
		(iii) Cash and cash equivalents	11	189.46	291.14
		(iv) Bank balances other than (iii) above	12	2,049.78	5,027.60
		(v) Loans	6	13.71	22.78
		(vi) Other financial assets	7	372.81	517.82
	(c)	Other current assets	8	2,971.51	2,420.54
	Total current assets			**29,330.70**	**28,132.37**
TOTAL ASSETS				**73,995.36**	**63,315.23**
EQUITY AND LIABILITIES					
EQUITY					
	(a)	Equity share capital	13	4,412.35	4,411.85
	(b)	Other equity	14	38,516.08	33,566.14
	Equity attributable to shareholders of the company			**42,928.43**	**37,977.99**
	Non-controlling interest			-	-
	Total equity			**42,928.43**	**37,977.99**

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	11,057.41	9,137.97
(ii) Lease Liabilities		328.32	-
(iii) Other financial liabilities	16	103.35	387.60
(b) Provisions	17	291.07	248.32
(c) Government Grants		220.47	194.00
(d) Deferred tax liabilities (Net)	18	1,448.92	1,866.31
Total non-current liabilities		**13,449.54**	**11,834.20**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	4,432.75	3,512.43
(ii) Lease Liabilties		104.02	-
(iii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		861.95	171.97
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,185.71	4,787.65
(iv) Other financial liabilities	21	5,423.04	4,021.44
(b) Other current liabilities	22	1,493.05	673.17
(c) Provisions	17	41.97	34.42
(d) Current tax liabilities (net)	23	74.90	301.96
Total current liabilities		**17,617.39**	**13,503.04**
TOTAL LIABILITIES		**73,995.36**	**63,315.23**
Significant accounting policies	a-aa		
The accompanying notes are integral part of the Standalone financial statements.	1 - 47		

As per our report of even date annexed
For M C Bhandari & Co. (Reg No.303002E)
Chartered Accountants
Rabindra Bhandari
Partner
Membership No. 097466

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

Place : New Delhi
Date : 05.06.2020

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited

Standalone Statement of Profit and Loss for the year ended 31 March, 2020

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
INCOME			
Revenue from operations	24	64,616.24	58,669.05
Other income	25	1,858.38	1,583.98
Total Revenue		**66,474.62**	**60,253.03**
EXPENSES			
Cost of materials consumed	26	20,701.20	18,521.50
Purchases of Stock-in-Trade		70.55	1,454.41
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(777.32)	(410.68)
Employee benefits expense	28	12,734.15	10,976.95
Research and development expenses	29	1,154.77	1,014.90
Finance cost	30	1,765.51	1,129.36
Depreciation and amortization expense	31	3,928.43	3,636.39
Other expenses	32	14,719.00	13,881.02
Total Expenses		**54,296.29**	**50,203.85**
Profit before tax		**12,178.33**	**10,049.18**
Tax expenses:			
(1) Current tax		3,272.79	3,038.82
(2) Deferred tax		(384.10)	293.27
(3) Tax adjustment for earlier years (net)		51.36	88.70
Total tax expenses	**33**	**2,940.05**	**3,420.79**
Profit after tax		**9,238.28**	**6,628.39**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Acturial gains/(losses) of defined benefit plan		38.19	2.91
Tax impacts on above		(9.61)	(1.02)
Other comprehensive income for the year (net of tax)		**28.58**	**1.89**
Total comprehensive income (Comprising profit after tax and other comprehensive inome/(loss) for the year)		**9,266.86**	**6,630.28**
Earnings per equity share: (Face value ₹ 5 each) in rupees	39		
Basic		10.47	7.51
Diluted		10.46	7.51
Significant accounting policies	a-aa		
The accompanying notes are integral part of the standalone financial statements	1 - 47		

As per our report of even date annexed
For M C Bhandari & Co. (Reg No.303002E)
Chartered Accountants
Rabindra Bhandari
Partner
Membership No. 097466

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

Place : New Delhi
Date : 05.06.2020

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited

Standalone Statement of Cash Flow for the year ended 31 March 2020

(₹ in Lacs)

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax and exceptional items	12,178.33	10,049.18
	Adjusted for:		
	Depreciation and amortisation	3,928.43	3,636.39
	Share in Income of Associates		
	Interest expense	1,765.51	1,129.36
	Dividend/ Governing Council Share	(45.46)	(155.31)
	Interest income	(483.13)	(349.40)
	Loss/(profit) on sale of fixed assets, net	(13.04)	(78.40)
	Debts/advances written off	30.73	29.36
	Provision for doubtful debts and advances	29.34	-
	Credit balances no longer required, written back	(53.79)	(153.58)
	Deferred employee compensation expenses (net)	13.89	18.69
	Unrealised foreign exchange (gain) /loss	(407.66)	251.12
	Other Comprehensive Income	38.19	2.91
	Ind As Adjustment for Unrealised Gain on Mutual Fund	(64.40)	(16.70)
	Ind As Adjustment on Govt. Grant & Subsidy	(64.65)	(80.55)
	Ind As Adjustment for Interest Income on Financial Assets	(3.82)	(3.43)
	Ind As Adjustment on Forward Contracts (Net)	334.68	(157.08)
	Ind As Adjustment for Deferred Processing fees	27.68	15.34
	Ind As Adjustment for Interest on Security Deposit against Rent	3.88	3.88
	Operating profit before working capital changes	**17,214.71**	**14,141.77**
	Movement in working capital		
	Decrease/(increase) in inventories	(2,684.71)	(556.62)
	Decrease/ (increase) in sundry debtors	832.63	(1,529.03)
	Decrease/(Increase) in financial assets	(401.35)	(37.74)
	Decrease/(Increase) in other assets	(547.93)	1,279.85
	Increase/ (decrease) in trade payables	1,026.01	816.56
	Increase/ (decrease) in other financial liabilities	(60.63)	6.03
	Increase/ (decrease) in other liabilities	819.82	(92.71)
	Increase/ (decrease) in provisions	50.30	39.61
	Cash generated from operations	**16,248.85**	**14,067.71**
	Direct taxes paid (net of refunds)	(3,558.35)	(2,748.48)
	Net cash from operating activities	**12,690.50**	**11,319.23**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(10,441.49)	(4,768.35)
	Purchase of Investments (net)	(1,500.99)	(2,381.06)
	Proceeds from / (Investment in) Fixed Deposits (net)	818.25	(3,829.72)
	Proceeds from sale of fixed assets	34.04	241.07
	Dividend/Governing share received	37.78	117.53
	Interest income	485.41	193.86
	Net cash used for investing activities	**(10,567.00)**	**(10,426.67)**

(₹ in Lacs)

Particulars		Year ended 31 March 2020	Year ended 31 March 2019
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings / deferred payment liabilities (net)	3,096.04	2,339.48
	Proceeds from Share Allotments	5.03	5.03
	Repayment of Lease Liabilities and Interest thereon	(136.11)	-
	Dividend and tax thereon Paid	(4,247.46)	(2,119.26)
	Interest / Finance charges paid	(942.68)	(1,194.56)
	Net cash from (used for) financing activities	**(2,225.18)**	**(969.31)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(101.68)	(76.76)
	Cash and cash equivalents at the beginning of the year	291.14	367.90
	Cash and cash equivalents at the end of the year	**189.46**	**291.14**
	COMPONENTS OF CASH AND CASH EQUIVALENTS		
	Balances with Banks in current account	113.79	277.80
	Cheques, drafts on hand	-	0.29
	Cash in hand (including foreign currency notes)	18.29	12.91
	Fixed deposits with banks, having original maturity of three months or less	57.38	0.14
	Cash and cash equivalents at the end of the year	**189.46**	**291.14**

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES	Year Ended 31 March 2020	Year Ended 31 March 2019
Cash and cash equivalents at the end of the year as per above	**189.46**	**291.14**
Add: Balance with banks in dividend / unclaimed dividend accounts	30.55	22.55
Add: Fixed deposits with banks, having maturity period for less than twelve months	2,019.23	5,005.05
Add: Fixed deposits with banks (lien marked)	1,553.05	791.78
Add: Fixed deposits with banks, having maturity period for more than twelve months	1,592.41	194.11
Cash and bank balances as per balance sheet (refer note 7, 11 and 12)	**5,384.70**	**6,304.63**

DISCLOSURE AS REQUIRED BY IND AS 7

Reconciliation of liabilities arising from financing activities

31 March, 2020	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	**5,899.27**	1,741.39	263.02	**7,903.68**
Long term secured borrowing	**9,137.97**	1,354.65	564.79	**11,057.41**
Total liabilities from financing activities	**15,037.24**	**3,096.04**	**827.81**	**18,961.09**

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**

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 **M C Bhandari & Co. (Reg No.303002E)**
Chartered Accountants
Rabindra Bhandari
Partner
Membership No. 097466

Place : New Delhi
Date : 05.06.2020

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March 2020

A. Equity share capital

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
At the beginning of the year	4,411.85	4,411.34
Changes in equity share capital during the year	0.50	0.51
At the end of the year	**4,412.35**	**4,411.85**

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 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**

Balance as at 1 April 2019	**46.98**	**34.67**	**30.15**	**16,134.83**	**17,304.28**	**15.23**	**33,566.14**
Transitional impact upon initial adoption of Ind As 116 (Refer Note 38)					-79.86		(79.86)
Restated Balance as at 1 April 2019	46.98	34.67	30.15	16,134.83	17,224.42	15.23	33,486.28
Profit for the year					9,238.28		9,238.28
Securities Premium received during the year		34.68					34.68
Other comprehensive income (net of taxes)						28.58	28.58
Transfer from retained earnings to General reserve				2,500.00	(2,500.00)		-
Addition/(deduction) during the year (Net of Lapses)			(16.26)				(16.26)
Final Dividend / Dividend tax adjusted					(4,255.46)		(4,255.46)
Balance as at 31 March 2020	**46.98**	**69.35**	**13.89**	**18,634.83**	**19,707.24**	**43.81**	**38,516.08**

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 01.04.2018	**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**	**17,424.76**	**202.03**	**230.03**	**528.48**	**25,506.56**	**452.27**	**895.17**	**1,347.43**	**26,854.00**
Gross Carrying Value as on 01.04.2019	**1,590.74**	**862.18**	**5,781.66**	**33,591.16**	**462.43**	**704.64**	**900.91**	**43,893.72**	**821.19**	**1,375.26**	**2,196.45**	**46,090.17**
Additions during the year	1,448.50	-	1,061.86	6,013.76	43.61	115.87	148.73	8,832.34	11.74	280.28	292.02	9,124.37
Deductions/Adjustments	-	-	-	358.64	-	34.68	73.77	467.09	16.66	-	16.66	483.75
Gross Carrying Value as on 31.03.2020	**3,039.24**	**862.18**	**6,843.52**	**39,246.28**	**506.04**	**785.83**	**975.87**	**52,258.97**	**816.27**	**1,655.54**	**2,471.81**	**54,730.78**
Accumulated Depreciation as on 01.04.2019	**-**	**59.77**	**1,053.56**	**16,166.39**	**260.40**	**474.61**	**372.43**	**18,387.16**	**368.92**	**480.09**	**849.01**	**19,236.17**
Depreciation for the year	-	9.28	206.29	3,176.52	38.25	94.44	114.89	3,639.67	69.27	120.52	189.79	3,829.46
Deductions/Adjustments				328.87		34.28	62.01	425.16	16.49		16.49	441.65
Accumulated Depreciation as on 31.03.2020	**-**	**69.05**	**1,259.85**	**19,014.04**	**298.65**	**534.77**	**425.31**	**21,601.67**	**421.70**	**600.61**	**1,022.31**	**22,623.98**
Carrying Value as on 31.03.2020	**3,039.24**	**793.13**	**5,583.67**	**20,232.24**	**207.39**	**251.06**	**550.55**	**30,657.30**	**394.57**	**1,054.93**	**1,449.50**	**32,106.80**

2.1 Borrowing cost of ₹ 5.97 lacs (previous year Nil) have been included in additions to Fixed Assets.

2.2 The estimated amortisation in intangible assets for the year subsequent to 31st March 2020 is as follows:

(₹ in Lacs)

Year Ending March 31	Amortisation Expense
2021	160.71
2022	151.60
2023	148.60
Thereafter	988.59

2.3 **Right of Use Asset**

(₹ in Lacs)

Balance as at 1st April 2019	402.22
Depreciation for the year	92.82
Closing balance as 31st March 2020	309.40

Notes on Standalone Financial Statement for the Year ended 31 March 2020

(₹ in Lacs)

3. INVESTMENT PROPERTIES	As at 31 March 2020	As at 31 March 2019
Gross balance at beginning	**372.74**	**363.65**
Additions during the year	-	9.09
Disposals / Deductions	-	
Depreciation for the year	6.15	6.00
Accumulated Depreciation	(26.83)	(20.67)
Net balance at the end of reporting period	**345.91**	**352.07**
Fair Value	**331.34**	**341.51**

Amount recognised in Statement of Profit & Loss for Investment Properties	Year ended 31 March 2020	Year ended 31 March 2019
Rental Income	**9.18**	**8.91**

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 one (PY two) Investment properties valued at Rs.160.22 Lacs (PY Rs.241.17 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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(valued at cost unless stated otherwise)				
Unquoted equity instruments - fully paid				
Investment in subsidiaries				
Poly Medicure (Laiyang) Co. Ltd.China USD 1,100,000 (previous year USD 1,100,000) Membership Interest	472.39	472.39		
Plan 1 Helath India Pvt. Ltd.(9999 Equity share of Rs.10 each)	1.00			
Poly Medicure B.V. Netherlands 12,30,000 Shares @ Euro 1 each	3,417.79	3,417.79		
Investment in associates				
96,600 (previous Year 73,600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	88.67	88.67		
Total	**3,979.85**	**3,978.85**		
Aggregate amount of Unquoted Investment	3,979.85	3,978.85		
Aggregate provision for diminuation in the value of Investment	-	-		
Category wise summary:				
Financial assets measured at amortised cost (net of provision)	3,979.85	3,978.85		
Financial assets measured at fair value through profit and loss	-	-		

5. OTHER INVESTMENT

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Investment measured at fair value through profit and loss				
Unquoted				
In Fixed Maturity Plans				
UTI FITF Series XXVII - II (1161 DAYS)	222.99	224.04	-	-
In Liquid Mutual Funds				
ICICI Prudential Balance Advantage Fund- Gr	-	-	23.15	26.76
UTI Income Opportunities Fund- Growth P	-	-	-	-
HDFC Medium Term Debt Fund-Regular Plan	-	-	1,049.03	-
Kotak Low Duration Fund Standard Growth	-	-	260.75	-
Franklin India Savings Fund Retail Option	-	-	259.28	-
Total	**222.99**	**224.04**	**1,592.21**	**26.76**
Aggregate amount of Unquoted Investment	**222.99**	**224.04**	**1,592.21**	**26.76**
Aggregate provision for diminuation in the value of Investmen t	-	-	-	-
Category wise summary:				
Financial assets measured at amortised cost (net of provision)	-	-	-	-
Financial assets measured at fair value through profit and loss	222.99	224.04	1,592.21	26.76

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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Considered good- Unsecured:				
Loans and advances to employees	-	-	13.71	22.14
Others	-	-	-	0.64
Total	**-**	**-**	**13.71**	**22.78**

7. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, considered good, unless stated otherwise)				
Security Deposits				
Considered good	247.46	113.12	105.27	151.39
Considered doubtful	-	-	8.68	9.78
Less: Provision for doubtful deposits	-	-	(8.68)	(9.78)
Interest accrued on bank deposits / Advances	104.39	25.53	107.99	189.13
Dividend / Governing council share from associates	-	-	45.46	37.78
Gain on outstanding forward contracts receivable	-	-	-	112.07
Other receivable #	-	-	114.09	27.45
Non-current bank balances (refer note 12)	3,145.46	985.89	-	-
Total	**3,497.31**	**1,124.54**	**372.81**	**517.82**

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 2020	As at 31 March 2019
Balance at the beginning of the year	9.78	12.82
Movement in the amount of provision (Net)	(1.10)	(3.04)
Balalnce at the end of the year	8.68	9.78

8. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, considered good, unless stated otherwise)				
Capital Advances				
Considered Good	1,692.39	761.53	-	-
Considered Doubtful	97.50	77.08	-	-
Less: Provision for doubtful advances	(97.50)	(77.08)	-	-
Other loans and advances				
Advance for goods / services				
Considered Good #	-	-	532.56	203.43
Balance with revenue authorities		-	1,432.30	498.13
Advance tax/ tax deducted at source (net of provision)	14.27	7.13	-	-
Prepaid Expenses	37.66	27.80	295.19	102.94
GST, Excise Duty, Service tax and VAT refundable		-	109.10	551.82
Export benefits receivable		-	602.36	1,064.22
Total	**1,744.32**	**796.46**	**2,971.51**	**2,420.54**

Includes advance of Rs.11.40 lacs (previous year Nil) given to step subsidiary against goods.

8.1 Movement in provison for doubtful advances

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	77.08	84.79
Movement in amount of provision (Net)	20.42	(7.71)
Written off of provisions	-	-
Balance at the end of the year	97.50	77.08

9. INVENTORIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
(Valued at lower of cost and net realisable value)		
Raw Materials including packing materials	5,151.86	3,332.14
Goods-in transit	744.23	819.35
Work-in-progress	1,883.45	2,120.52
Finished Goods	1,581.74	672.70
Stock-in-trade	176.78	71.42
Stores and spares	558.36	395.58
Total	**10,096.42**	**7,411.71**

10. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Considered good- Unsecured	12,044.80	12,414.02
Credit Impaired	30.58	29.84
Less: Provision for Credit Impaired	(30.58)	(29.84)
Total	**12,044.80**	**12,414.02**

(₹ in Lacs)

Particulars	Outstanding As at end of		Maximum balance outstanding during the period ended	
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Trade receivable includes:				
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	26.96	71.05	553.73	805.78
Due from Plan 1 Health SRL, Italy, being step-subsidiary	21.51	0.95	21.51	0.95
Due from Ultra For Medical Products (UMIC), being associate company	495.29	623.61	850.09	738.37

(₹ in Lacs)

Movement in the provision for doubtful debts	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	29.84	33.64
Addition/(Deletion)	10.02	(3.80)
Written off out of Provision	(9.28)	
Balance at the end of the year	30.58	29.84

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 2020	As at 31 March 2019
Balances with Banks		
In current accounts	113.79	277.80
In deposit accounts, with less than 3 months maturity period	57.38	0.14
Cash on hand (including foreign currency notes)	18.29	12.91
Cheque in hand	-	0.29
Total	**189.46**	**291.14**

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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Unclaimed dividend accounts		-	30.55	22.55
Held as margin money	1,553.05	791.78	-	-
Deposits with more than 3 months but less than 12 months maturity period		-	2,019.23	5,005.05
Deposits with more than 12 months maturity period	1,592.41	194.11		
Amount disclosed under the head “other Non Current Financial Assets” (Refer note 7)	(3,145.46)	(985.89)		
Total	**-**	**-**	**2,049.78**	**5,027.60**

13. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised share Capital				
Equity Shares of ₹ 5 each	12,00,00,000	6,000.00	12,00,00,000	6,000.00
Issued, subscribed & paid up shares				
Equity Shares of ₹ 5 each fully paid up	8,82,46,980	4,412.35	8,82,36,930	4,411.85
Total	**8,82,46,980**	**4,412.35**	**8,82,36,930**	**4,411.85**

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

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	8,82,36,930	4,411.85	8,82,26,880	4,411.34
Add: Issued during the year by way of ESOP	10,050	0.50	10,050	0.51
Outstanding at the end of year	**8,82,46,980**	**4,412.35**	**8,82,36,930**	**4,411.85**

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, 2020		As at 31 March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Share of ₹ 5 each (Previous Year ₹ 5 each)				
M/s Ezekiel Global Business Solutions LLP	1,23,61,320	14.01%	1,23,61,320	14.01%
Mr. Rishi Baid	99,93,048	11.33%	99,93,048	11.33%
M/s Zetta Matrix Consulting LLP	83,19,660	9.43%	83,19,660	9.43%
Mr. Himanshu Baid	79,07,624	8.96%	79,07,624	8.96%

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

13.4 During the year ended 31st March 2020 the company have paid following Final / Interim dividend:

S.No.	Nature of Dividend	Date of declaration	Amount of Dividend	Dividend tax thereon
1.	Final Dividend	23rd Sep 2019	1764.94	362.79
2.	Interim Dividend	18th Feb 2020	1764.94	362.79

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

The Company had alloted 1,10,12,500 fully paid-up equity shares of face value ₹ 10 each during the financial year ended 31st March 2014, pursuant to bonus issue approved by the shareholders through postal ballot.

The Company had alloted 4,41,13,440 fully paid-up equity shares of face value ₹ 5 each during the financial year ended 31st March 2017, pursuant to bonus issue approved by the shareholders through postal ballot.

14 OTHER EQUITY

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
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	34.67	-
Addition during the year	34.68	34.67
Closing Balance	**69.35**	**34.67**
Share Based Payment Reserve Account		
Balance at the beginning of the year	30.15	41.61
Addition/(deletion)during the year (Net of Lapses)	(16.26)	(11.46)
Closing Balance	**13.89**	**30.15**
General Reserve		
Balance at the beginning of the year	16,134.83	13,634.83
Add: Transferred from Surplus in Statement of Profit and Loss	2,500.00	2,500.00
Closing Balance	**18,634.83**	**16,134.83**
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	17,304.28	15,303.14
Less:Adjustment on account of initial adoption of Ind AS 116 (Net of deferred tax of Rs.42.89 lacs) Refer Note no 38	(79.86)	-
Add: Additions during the year	9,238.28	6,628.39
Less: Dividend adjusted for previous year	(1,764.94)	(1,764.54)
Less: Dividend tax adjusted for previous year	(362.79)	(362.71)
Less: Interim Dividend	(1,764.94)	-
Less: Interim Dividend tax	(362.79)	-
Less: Transferred to General Reserve	(2,500.00)	(2,500.00)
Closing Balance	**19,707.24**	**17,304.28**
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	15.23	13.34
Add: Addition during the year	28.58	1.89
Closing Balance	**43.81**	**15.23**
Grand Total	**38,516.08**	**33,566.14**

15. BORROWINGS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Secured - At Amortised Cost				
(i) Term loans from banks	10,853.17	9,117.61	3,283.27	2,333.82
(ii) Others - Vehicle Loan				
from banks	2.68	20.35	17.68	16.11
from others	-	-	-	36.91
(iii) Deferred payment liabilities	201.56	-	169.98	-
(iv) Equipment Financing		-		-
Amount disclosed under the head “other current financial liabilities” (note 21)		-	3,470.93	2,386.84
Total	**11,057.41**	**9,137.97**	**-**	**-**

15.1 Term loan comprises the following:

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
From Bank				
Rupee Loan #	1,302.94	5,015.64	1,038.05	1,034.70
Foreign Currency Loan##	9,550.23	4,101.97	2,245.22	1,299.12

net off of Rs.2.71 (PY 6.67 lacs) as finance charge.

net off of Rs.76.74 Lacs (PY 27.88) as finance charge.

15.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Installment	Outstanding as at 31.03.2020	Annual repayment schedule			
				2020-21	2021-22	2022-23	2023-24 & 2024-25
Rupee Loan #	8.43%	Qtr / Mon	2,340.99	1,038.05	902.94	400.00	-
Foreign Currency Loan #	1.88%	Qtr	11,514.47	2,206.54	3,339.85	2,926.70	3,041.38
Buyers Credit	0.45%	Qtr	360.43	72.09	-	288.34	-
Other- Vehicle Loan	9.35%	Monthly	20.36	17.68	2.68	-	-

includes Rs.2.71 lacs (PY 6.67 lacs) as prepaid finance charge

includes Rs.76.74 lacs (PY 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 outstanding (ECB of Rs 3046 lacs.) 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 Plot No. PA-010-018, Mahindra World City, SEZ, Jaipur (Rajasthan) and second pari passu charge on stock and receivables of the Company.

Foreign Currency Loan outstanding (ECB of Rs 5416 lacs) 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) and 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 2020	As at 31 March 2019
Security Deposit from Agent/ Others	76.39	387.60
Deferred interest on deferred payment liability	26.96	-
Total	**103.35**	**387.60**

17. PROVISIONS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	**As at 31 March, 2019**	**As at 31 March, 2020**	**As at 31 March, 2019**
Provision for employee benefits				
Gratuity	147.40	142.26	23.92	21.77
Leave Encashment	143.67	106.06	18.05	12.65
Total	**291.07**	**248.32**	**41.97**	**34.42**

18. DEFERRED TAX LIABILITIES

In accordance with IND AS - 12, the company has accounted for deferred taxes during the year as under:
Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets:

Particulars	As at 31 March, 2020							
	Balance as at April 1 2019	**Transi-tional IND AS 116 impact**	**Restated Balance as at April 1 2019**	**Rec-ognised in profit & loss**	**Rec-ognised in OCI**	**Net Deferred Tax**	**Deferred Tax Liability**	**Deferred Tax Assets**
Property, plant and equipment and intangible assets	1,998.02		1,998.02	**(295.45)**		**1,702.57**	**1,702.57**	
Provision for defined benefit plan - P&L	(55.12)		(55.12)	**(28.71)**		**(83.83)**		**(83.83)**
Provision for defined benefit plan - OCI	8.08		8.08	**-**	**9.61**	**17.69**	**17.69**	
Provision for Bonus	(43.89)		(43.89)	**9.61**		**(34.28)**		**(34.28)**
Provision for doubtful debts and advances	(40.78)		(40.78)	**6.36**		**(34.42)**		**(34.42)**
Exchange difference impact under Section 43A of Income Tax Act.				**(87.87)**		**(87.87)**		**(87.87)**
IND AS 116		(42.89)	(42.89)	**11.95**		**(30.95)**	**-**	**(30.95)**
Deferred Tax (Assets) / Liabilities	**1,866.31**	**(42.89)**	**1,823.41**	**(384.10)**	**9.61**	**1,448.92**	**1,720.26**	**(271.34)**

Particulars	Balance as at April 1 2018	Rec-ognised 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**	**2,006.11**	**(139.79)**

18.1 Movement on the deferred tax account is asfollows:

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,866.31	1,572.01
Transitional IND AS 116 impact	(42.89)	
Restated Balance as at April 1 2019	**1,823.42**	
(Credit)/ Charge to the statement of profit and loss	(384.10)	293.28
(Credit)/ Charge to other comprehensive income	9.61	1.02
Balance at the end of the year	**1,448.92**	**1,866.31**

19. BORROWINGS - CURRENT

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured - from banks		
Cash / Export Credit Loan	4,432.75	3,512.43
Total	**4,432.75**	**3,512.43**

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 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises:	861.95	171.97
Total outstanding dues of trade payables and acceptances other than above	5,185.71	4,787.65
	6,047.66	**4,959.62**

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 2020	As at 31 March 2019
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	861.95	171.97
	- Interest due	-	-
b	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d	the amount of interest accrued and remaining unpaid at the end of each accounting year;and	-	-
e	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

21. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (Refer note no. 15)	3,470.93	2,386.84
Interest accrued but not due on borrowings	6.21	6.40
Interest accrued and due on borrowings / Security deposits	12.90	33.50
Unpaid dividends	30.55	22.55
Other payables		
Employees related liabilities	1,436.60	1,459.75
Liability on account of outstanding forward contracts	227.61	-
Payables for capital goods	178.58	71.90
Others (includes deferred interest of Rs. 11.11 lacs on deferred payment liability)	59.66	40.50
Total	**5,423.04**	**4,021.44**

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 2020	As at 31 March 2019
Advance from customers	978.59	276.20
Other payables		
Statutory dues	513.83	396.34
Others	0.63	0.63
Total	**1,493.05**	**673.17**

23. CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for Tax (Net of Prepaid Tax of ₹ 3,209.27 Lacs) (PY ₹ 2741.05 lacs)	74.90	301.96
Total	**74.90**	**301.96**

24. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31 March, 2020	Year ended March 31, 2019
Sale of products		
Manufactured goods	62,828.09	55,990.62
Traded Goods	80.85	774.40
Other operating revenues		
Export Incentives	1,573.85	1,665.22
Sale of scrap	133.45	157.47
Others	-	81.34
Total	**64,616.24**	**58,669.05**

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

(₹ in Lacs)

Particulars	Year ended 31 March, 2020	Year ended March 31, 2019
The Company disaggregates revenue based on nature of products/geography as under :		
Revenue based on Geography		
Sales		
Domestic	18,683.89	16,397.89
Export	44,225.04	40,367.13
Other operating revenue		
Domestic-Export incentives and Scarp	1,707.30	1,822.69
Development Charges	-	81.34
	64,616.24	**58,669.05**
Revenue based on Nature of Products		
Medical Devices	62,908.94	56,765.02
Export incentives	1,573.85	1,665.22
Scrap	133.45	157.47
Development Charges	-	81.34
	64,616.24	**58,669.05**

(₹ in Lacs)

Reconciliation of Revenue	Year ended 31 March, 2020	Year ended March 31, 2019
Gross value of contract price	63,220.46	57,098.21
Less : Variable components i.e.,Rebate & discount	311.52	333.19
Other operating revenue	**1,707.30**	**1,904.03**
Revenue from operations as recognised in financial statement	**64,616.24**	**58,669.05**

(₹ in Lacs)

Reconciliation of Advance received from Customers-Contract Liabilities	Year ended 31 March, 2020	Year ended March 31, 2019
Balance at the beginning of the year	**276.20**	**388.59**
Less : Revenue recognised out of balance of advance received from customer at beginning of year	261.80	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	964.19	258.72
Balance as at the end of the year	**978.59**	**276.20**

The Company have orders in hand as at 31st March 2020 for Rs. 8375.57 lacs, for which performance obligation amounting to Rs.8375.57 lacs will be recognised as revenue during the next reporting year. The company have evaluated the impact of Covid 19 on position of orders in hand as on 31 March 2020 and do not expect any major/significant cancellation/reduction in order value as at the date of approval of the standalone financial statement.

25. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest Income/ Dividend Income		
Interest Income on Fixed and other Deposits	483.13	349.40
Interest Income on Income Tax Refund	-	-
Interest Income from Financial Assets Measured at Amortised Cost	3.82	3.43
Dividend/ Governing Council Share	45.46	155.31
Other non-operating income		
Rental Income from Investment Property	9.18	8.91
Government Grants and Subsidies	64.65	80.55
Income from Mutual Funds	-	25.76
Miscellaneous Income	72.15	47.38
Other Gain		
Provisions / Liabilities no longer required written back (net)	53.79	153.58
Gain on fixed assets sold/discarded	13.04	78.40
Gain on Foreign Exchange Fluctuation (net)	1,048.76	664.56
Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	64.40	16.70
Total	**1,858.38**	**1,583.98**

26. COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Raw Material Consumed		
Inventory at the beginning of the year	2,704.62	2,771.89
Add: Purchases during the year	17,626.23	14,073.59
Less: Inventory at the end of the year	4,333.31	2,704.62
Cost of raw material consumed (A)	**15,997.54**	**14,140.86**
Packing Material Consumed		
Inventory at the beginning of the year	627.52	766.54
Add: Purchases during the year	4,894.69	4,241.62
Less: Inventory at the end of the year	818.55	627.52
Cost of packing material consumed (B)	**4,703.66**	**4,380.64**
Total (A+B)	**20,701.20**	**18,521.50**

The above consumption figures are disclosed on the basis of derived figures and are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.

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

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019	(Increase)/ Decrease
Inventories at the end of year			
Finished Goods and Stock in Trade	1,758.52	744.12	(1,014.40)
Work in progress	1,883.45	2,120.52	237.07
	3,641.97	**2,864.64**	**(777.33)**
Inventories at the beginning of year			
Finished Goods and Stock in Trade	744.12	881.37	137.25
Work in progress	2,120.52	1,572.60	(547.92)
	2,864.64	**2,453.97**	**(410.67)**

28. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	11,727.24	10,156.29
Contributions to Provident Fund and others	830.49	687.35
Share based payment to employees	13.89	18.69
Staff Welfare Expenses	162.53	114.62
Total	**12,734.15**	**10,976.95**

29. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	740.00	681.80
Employee benefits expenses	349.38	274.94
Power and Fuel	52.65	44.76
Travelling & Conveyance	4.56	3.89
Other Misc Expenses	8.18	9.51
Total Revenue Expenses	**1,154.77**	**1,014.90**
Capital Expenditure	**-**	**22.30**
Total amount spent on Research and Development	**1,154.77**	**1,037.20**

30. FINANCE COST

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense		
Interest on loans	844.13	1,125.68
Interest on Income Tax	4.45	7.17
Exchange difference to the extent considered as an adjustment to interest costs	842.34	(21.37)
Interest on Lease Liabilities	43.49	-
Others		
Other amortised borrowing costs	31.10	17.88
Total	**1,765.51**	**1,129.36**

31. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of tangible assets	3,639.67	3,443.63
Amortisation of intangible assets	189.79	186.76
Depreciation of investment properties	6.15	6.00
Amortisation of Right to Use	92.82	-
	3,928.43	**3,636.39**

32. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	1,278.02	1,428.84
Power and Fuel	2,472.61	2,416.13
Job Work Charges	5,392.00	4,784.70
Other Manufacturing Expenses	77.39	98.30
Repairs to Building	74.96	49.24
Repairs to Machinery	85.62	95.83
Repairs to Others	28.94	27.28
Insurance (Net)	184.19	61.17
Operating lease		158.20
Short term lease	52.06	
Rates, Taxes & Fee	100.98	130.97
Travelling & Conveyance	1,213.68	1,079.58
Legal & Professional Fees	1,348.51	1,305.96
Auditors' Remuneration	17.71	24.04
Commission and Sitting Fees to Non-Executive Directors	73.25	60.25
Donations	86.13	99.51
Bank Charges	210.09	167.09
Advertisement	18.73	4.62
Commission on sales	432.40	458.05
Freight & Forwarding (Net)	468.35	420.70
Business Promotion	212.05	247.42
Exhibition Expenses	184.40	243.19
Rebate, Discounts & Claims	65.17	67.82
Provision for Doubt ful debts / Advances	29.34	-
Bad debts / Misc. Balances written off (net) Total Amount written off Rs. 40.01 lacs. Less: Rs 9.28 lacs out of provision.	30.73	29.36
CSR Expenditure	237.72	153.83
Communication expense	49.82	57.96
Listing fees	5.40	5.40
Other Miscellaneous Expenses	288.75	205.57
Total	**14,719.00**	**13,881.02**

Payment to Auditors	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Audit Fee	12.25	12.25
Tax Audit Fee		1.25
Limited Review of Results (Previous auditor)	1.00	-
Limited Review of Results	2.00	3.00
In other capacity		
(a) For certification work	0.39	3.00
(b) For Others	0.11	2.50
Reimbursement of expenses	1.96	2.04
Total	**17.71**	**24.04**

33. TAX EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Tax expenses comprises of:		
Current tax	3,272.79	3,038.82
Earlier year tax adjustment (net)	51.36	88.70
Deferred tax	(384.10)	293.27
Total	**2,940.05**	**3,420.79**

Reconciliation of tax expenses and accounting profit multiplied by Indian tax rate	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	12,178.33	10,049.18
Applicable tax rate	25.17%	34.94%
Tax at the Indian tax rate of 25.17% (Previous year 34.944%) and special rate Nil (PY -11.648%)	3,065.29	3,505.58
Adjustment of expenses disallowed under income tax	347.07	109.80
Adjustment of expenses allowable under income tax	(35.14)	(419.79)
Other allowable deduction (including Ind As adjustments)	(104.43)	(159.14)
Current Tax (Normal Rate)	**3,272.79**	**3,036.45**
Additional Current Tax due to Special Rate	-	2.36
Current Tax (A)	**3,272.79**	**3,038.81**
Incremental Deferred tax Liability on timing Differences (Net)	(384.10)	293.26
	-	-
Deferred Tax (B)	**(384.10)**	**293.26**
Tax expenses for earlier year (net) (C)	**51.36**	**88.70**
Tax expenses recognised in the statement of profit and loss (A+B+C)	**2,940.05**	**3,420.77**
Effective tax rate	24.14%	34.04%

The company has elected to exercise the option permitted under section 115BAA of Income Tax Act,1961 as introduced by taxation laws (Amendment) Ordinance 2019. Accordingly,the company has recognised provision for current tax/deferred tax for the year ended 31st March 2020 and also remeasured its deferred tax liability on the basis of rate as prescribed in the said section.

Notes to Standalone Financial Statements for the year ended 31 March, 2020

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 2020 were approved and authorized for issue by the Board of directors in their meeting held on 5th June 2020.

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. 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 Company has applied IND AS 116 with effect from 1.4.2019. In accordance with IND AS 116, the Company recognises right of use assets representing its right to use the underlying asset for the lease term at the lease commecement date. The cost of right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before commencement date less any lease incentive received plus any initial direct cost incurred and an estimate of cost to be incurred by lessee in dismentling and removing underlying asset or restoring the underlying asset or site on which it is located. The right of use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment lossess, if any, and adjusted for any remeasurement of lease liability. The right of use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by inceasing the carrying amount to reflect interest on lease liabilty, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised- in-substance fixed lease payments, the company recognises amount of remeasurement of lease liability due to modification as an adjustment to right of use assets and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right of use assets is reduced to zero and there is further reduction in measurement of lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Copmany has elected not to apply the requirements of IND AS 116 to short term leases of all assets that have a lease term of twelve month or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense over lease term.

s Taxes on income:

(i) Current Tax:

1. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed

in accordance with the provisions of the Income-Tax Act 1961 and based on the expected outcome of assessments / appeals.

2. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

   Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) <u>Deferred tax:</u>

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) <u>General:</u>

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) <u>Other Litigation claims:</u>

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

(iii) <u>Onerous contracts:</u>

Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

u Exceptional Items:

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

v Earnings per share:

Basic Earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

w Segment reporting:

The operating segment of the company is medical devices and the same have been evaluated on management approach as defined in Ind AS - 108 "Operating Segment". The company accordingly reports its financials under one segment namely "Medical Devices".

x Financial statement classification:

Certain line items on the balance sheet and in the statement of Profit and Loss have been combined. These items are disclosed separately in the Notes to the financial statements. Certain reclassifications have been made to the prior year presentation to conform to that of the current year. In general the company classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date.

y Fair value measurement:

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

z **Significant Accounting Judgements, Estimates and Assumptions:**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation of uncertainty related to Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertanties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company and based on estimates the company expects that the carrying amount of financial assets will be recovered and the company do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of these Standalone Financial Statements.

i <u>Income taxes:</u>

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the stand alone financial statements.

ii <u>Fair value measurement of financial instruments:</u>

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including book value, Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iii Lease:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to excercise that option and periods covered by an option to terminate the lease if the company is reasonably certain not to excercise that option. In excersing whether the company is reasonably certain to excercise an option to extend a lease or to excercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the company to excercise the option to extend the lease or to excercie the option to terminate the lease. The company revises lease term, if there is change in non-cancellable period of lease. The discount rate used is generally based on incremental borrowing rate.

iv <u>Depreciation/Amortisation and useful life of Property, Plant and Equipment:</u>

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 <u>Impairment of Financial & Non-Financial Assets:</u>

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The Company uses judgements in making these assumptions and selecting inputs for impairment calculations based on existing market conditions, past history, technology, economic developments as well as forward looking estimates at the end of each reporting period.

vi Provisions:
The company makes provision for leave encashment and gratuity based on report received from the independent actuary. These valuation reports uses complex valuation models using actuarial valuation. An actuarial valuation involves making various assumption that may differ from actual development in future.

vii Contingencies:
Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

aa Capital:

Debt and equity instruments:

Ordinary equity shares are classified as equity. Debt instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

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	31-03-2020						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	3,979.85	-	-	3,979.85	-	-	-
In Fixed Maturity Plans	222.99	222.99	-	-	-	222.99	-
In Liquid Mutual Funds	1,592.21	1,592.21	-	-	-	1,592.21	-
Trade receivables	12,044.80	-	-	12,044.80	-	-	-
Cash & cash equivalents	189.46	-	-	189.46	-	-	-
Other bank balances	2,049.78	-	-	2,049.78	-	-	-
Loans	13.71	-	-	13.71	-	-	-
Other financial assets	3,870.12	-	-	3,870.12	-	-	-
Total financial assets	**23,962.92**	**1,815.20**	**-**	**22,147.72**	**-**	**1,815.20**	**-**
Financial liabilities							
Borrowings	15,490.16	-	-	15,490.16	-	-	-
Trade payables	6,047.66	-	-	6,047.66	-	-	-
Lease Liabiliies	432.34	-	-	432.34	-	-	-
Other financial liabilities	5,526.39	227.61	-	5,298.78	-	227.61	-
Total financial liabilities	**27,496.55**	**227.61**	**-**	**27,268.94**	**-**	**227.61**	**-**

(₹ 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**	**-**	**-**	**-**

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 2020	Year ended 31 March 2019
a	**Contingent liabilities not provided for:**		
	Compensation for enhanced cost of Land pending with District & Session Court Faridabad (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
	Demand from National Pharmaceutical Pricing Authority (Net)	76.88	76.88
b	**Obligations and commitments outstanding:**		
	Unexpired letters of credit ₹ 1,068.77 lacs (Previous year ₹ 743.67 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,863.46 lacs (Previous year ₹ 1,359.41 lacs), (Net of margins)	2,932.23	2,103.08
	Bills discounted but not matured	890.73	1,008.66
	Custom duty against import under EPCG Scheme	1,927.70	1,074.52
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	5,612.40	2,295.56

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 deposit and 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.

(₹ in Lacs)

Particulars	At at 31 March 2020	As at 31 March 2019
India	3,272.03	3,928.60
Europe	2,906.31	2,265.83
USA	23.93	17.11
Others	5,842.53	6,202.48
	12,044.80	**12,414.02**

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 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
Change In loss allowance (Net)	(1.10)	0.74	20.42
Loss Allowance as on 31 March 2020	**8.68**	**30.58**	**97.50**

COVID-19: The Company do not envisage any financial difficulties resulting in additional credit risks higher than usual credit terms due to COVID-19 outbreak.

C) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in interest rate. The company's main interest rate risk arises from long term borrowings with variable rates (LIBOR plus) which exposes the company to cash flow interest rate risk.

i) Interest rate risk exposure - The exposure of the company's borrowing to interest rate changes at the end of reporting period is as follows:

(₹ in Lacs)

Particulars	At at 31 March 2020	As at 31 March 2019
Variable rate borrowing	11,792.74	5,401.09
Fixed rate borrowing	7,168.35	9,636.16
Total	**18,961.09**	**15,037.25**

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 2020	31 March 2019
Interest rate- increase by 50 basis point	58.96	27.01
Interest rate- decrease by 50 basis point	(58.96)	(27.01)

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 2020	As at 31 March 2019
The company has working capital funds which Includes		
Cash and cash equivalent	189.46	291.14
Current investments in liquid mutual funds	1,592.21	26.76
Bank balances	2,049.78	5,027.60
Trade receivable	12,044.80	12,414.02
Total	**15,876.25**	**17,759.52**

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

(₹ in Lacs)

Particulars	At at 31 March 2020	As at 31 March 2019
Fixed		
Cash credit and other facilities	3,657.25	3,987.57
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 2020			
Trade payable	6,047.66	-	6,047.66
Other Financial liabilities	9,959.81	11,489.08	21,448.89
Total	**16,007.47**	**11,489.08**	**27,496.55**
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**

E) Market Risk

COVID-19 related risk

The Company being engaged in manufacture of medical devices and related items (being essential item) has not witnessed any significant interruptions in the supply and production cycle due to COVID-19 and kept production and despatches on-going during lockdown period.

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 31-03-2020		As at 31-03-2019	
			FC	INR	FC	INR
Forward Contracts	Sell	USD:INR	69.27	5,233.51	54.03	3,736.31
		EURO:INR	12.06	1,005.14	6.00	466.01
		GBP:INR	9.07	851.04	-	-
	Buy	EURO:INR	-	-	0.39	30.60
		JPY:INR	285.42	199.79	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 31-03-2020		As at 31-03-2019	
		FC	INR	FC	INR
Receivable / (Payable)	USD:INR			21.78	1,506.05
	EURO:INR	(90.59)	(7,548.59)	(36.56)	(2,839.78)
	USD:INR			(18.49)	(1,278.79)
	EURO:INR			3.59	279.07
	GBP:INR	(2.39)	(223.79)	2.69	243.34
	CAD:INR	(0.05)	(2.41)	-	-
	LE.:INR	(9.44)	(45.46)	9.44	37.78
	SEK:INR	(1.51)	(11.53)	0.09	0.68
	JPY:INR	(639.31)	(449.83)	-	-
	AUD:INR	(0.01)	(0.35)	-	-
	SGD:INR	-	-	0.03	1.54

(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 31-03-2020	As at 31-03-2019
Not later than 3 months	Sell	USD:INR	870.68	1,385.21
		EURO:INR	213.59	-
		GBP:INR	165.25	-
	Buy	EURO:INR	-	30.60
		JPY:INR	199.79	45.57
Later than 3 months and not later than 6 months	Sell	USD:INR	2,023.46	1,210.13
		EURO:INR	499.92	155.34
		GBP:INR	258.01	-
Later than 6 month & not later than one year	Sell	USD:INR	2,339.36	1,140.98
		EURO:INR	291.62	310.68
		GBP:INR	427.79	-

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

(₹ in Lacs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Mark to market loss / (Gain) accounted for (Net)	334.68	(157.08)

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 2020	31 March 2019
Gross borrowings	18,961.09	15,037.25
Less: cash and cash equivalents	189.46	291.14
Adjusted net debt	18,771.63	14,746.10
Total Equity	42,928.43	37,977.99
Adjusted net debt to equity	43.73%	38.83%

The company's total owned funds of ₹ 42,928.43 lacs with ₹ 18,771.63 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 2020	**31 March 2019**
Dividend recognised in the financial statements		
Final dividend for year ended 31-Mar-19 of ₹ 2 per equity share (31-Mar-18 ₹ 2)	1,764.94	1,764.54
Interim dividend for year ended 31-Mar-20 of ₹ 2 per equity share	1,764.94	
Dividend tax	725.58	362.71

38 The Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified Ind AS 116 'Lease' which replaces existing lease Standard, Ind AS 17 leases and other Interpretations. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessee and lessor. It introduces a single lease accounting model for lessees.

The Company has adopted Ind AS 116 effective annual reporting period beginning April 1, 2019 and applied the Standard to its leases retrospectively with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to opening balance of retained earnings as on April 1, 2019.

On transition date i.e. April 1, 2019 the Company has recognised a lease liability measured at the present value of remaining lease payments. The right of use assets is recognised at its carrying amount as if the standard had been applied since the commencement of the lease but discounted using lessee's incremental borrowing rate.

Accordingly, right of use asset of Rs 402.22 lacs and a corresponding lease liability of Rs 524.97 lacs has been recognised. The cumulative effect on transition adjusted in retained earning as on April 1, 2019 amounted to Rs. 79.86 lacs (net of deferred tax of Rs. 42.89 lacs). The lease payments including interest have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in balance sheet at the date of initial application.

On application of IndAs 116, the nature of expense has changed from lease rent in previous periods to depreciation cost for right to use asset and finance cost for interest accured on lease liability.

The details of right of use asset held by the company is as follows:
The Following is break up of current and non-current lease liabilities as at 31st March 2020

(₹ in Lacs)

Particulars	As at 31 March 2020
Current lease liabilities	104.02
Non-Current lease liabilities	328.32
	432.34

The following is movement in lease liabilities during the year ended 31st March 2020

(₹ in Lacs)

Particulars	Year Ended 31 March 2020
Balance at the beginning of the year 1st April, 2019	524.97
Addition during the year	-
Finance cost accured during the year	43.49
Payment of lease liabilities (including interest)	136.12
Balance at the end of the year 31st March, 2020	**432.34**

(₹ in Lacs)

Particulars	Additions for the year ended 31st March 2020	Net Carrying amount as at 31st March 2020
Building	-	309.40

Depreciation on right of use asset is Rs 92.82 lacs and Interest on lease liability for year ended 31st March 2020 is Rs 43.49 lacs.

Lease Contracts entered by the company majorly pertains to building taken on lease to conduct the business activites in ordinary course.

Impact of Covid 19

The leases that the company has entered with lessors towards properties used as corporate office/ offices are long term in nature and no changes in terms of those leases are expected due to Covid-19

The Table below provides details regarding the contractual maturities of lease liabilities as at 31st March 2020 on an undiscounted basis:

(₹ in Lacs)

Particulars	Short term lease charges payable	Long term lease Charges payable	As at 31st March 2020
Less than one year	67.5	138.75	206.25
Up to five year	-	365.22	365.22
More than five year	-	-	-

The company do not forsee liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

Rental expense recorded for short term lease amounted to Rs.52.06 lacs and grouped as short term lease expense in Note No. 32 other expense.

39 RELATED PARTY DISCLOSURES:

Related party disclosures as required by Ind AS - 24 “Related Party Disclosures” are as under:

A List of related parties and relationships

a Subsidiaries, Step-subsidiary and Associate

Subsidiaries

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

2 Poly Medicure BV, Netherlands

3 Plan 1 Health India Pvt.Ltd.

Step-Subsidiary

1 Plan 1 Health SRL, Italy (Wholly owned subsidiary company of Poly Medicure BV, Netherlands)

Associate

1 Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel & Relative

1 Mr. Himanshu Baid (Managing Director)

2 Mr. Rishi Baid (Joint Managing Director)

3 Mr. J. K. Oswal (CFO)

4 Mr. Avinash Chandra (Company Secretary)

5 Mr. Devendra Raj Mehta (Independent Director)

6 Mr. Prakash Chand Surana (Independent Director)

7 Mr. Shailendra Raj Mehta (Independent Director)

8 Dr. Sandeep Bhargava (Independent Director)

9 Mr. Alessandro Balboni

10 Mr. J. K. Baid (Director- relative of Managing Director & Joint Managing Director)

11 Mr. Vishal Baid (President- relative of Managing Director & Joint Managing Director)

12 Mrs. Mukulika Baid (Director- relative of Managing Director & Joint Managing Director)

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

1 Vitromed Healthcare

2 Jai Polypan Pvt. Ltd.

3 Stilocraft

4 Polycure Martech Ltd.

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	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Sales of Goods	**831.29**	**870.94**			**1,141.07**	**1,642.80**
Ultra for Medical Products Egypt	801.54	869.99				
Plan 1 Health SRL, Italy	29.75	0.95				
Vitromed Healthcare					1,141.07	1,642.80
Purchases of Goods/Bussiness support & marketing services	**90.05**	**34.52**			**11.30**	**-**
Plan 1 Health SRL, Italy	60.75					
Poly Medicure (Laiyang) Co. Ltd	29.30	34.52				
Vitromed Healthcare					11.30	-
Job work					**4,938.10**	**4,405.30**
Vitromed Health Care					4,938.10	4,405.30
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	**45.46**	**155.31**				
Ultra for Medical Products, Egypt	45.46	155.31				
Amount paid on behalf of and received back	**-**	**24.97**				
Poly Medicure BV, Netherlands	-	24.97				
Advance to Subsidiaries / Associates	**11.40**					
Plan 1 Health SRL, Italy	11.40					
Ultra for Medical Products Egypt	-					
Advance From Subsidiaries / Associates	**31.60**					
Plan 1 Health SRL, Italy	-					
Ultra for Medical Products Egypt	31.60					
Directors / Key Managerial Personnels' Remuneration including commission			**1,251.54**	**937.54**		
Mr. Himanshu Baid			599.83	443.01		
Mr. Rishi Baid			583.82	432.69		
Mr. J. K. Oswal			57.48	52.72		
Mr. Avinash Chandra			10.40	9.12		
Defined benefit obligations			**43.27**	**15.20**		
Mr. Himanshu Baid			23.26	6.81		
Mr. Rishi Baid			18.76	7.78		
Mr. J. K. Oswal			1.07	0.54		
Mr. Avinash Chandra			0.18	0.07		
Share based payment			**0.33**	**0.93**		
Mr. J. K. Oswal			0.33	0.93		
Salary and perquisites			**106.48**	**53.04**		
Mr. Vishal Baid			106.48	53.04		
Commission and Sitting fees			**73.25**	**60.25**		
Mr. J. K. Baid			11.75	9.75		
Mrs. Mukulika Baid			11.75	9.75		
Mr. Devendra Raj Mehta			13.25	11.00		
Mr. Prakash Chand Surana			12.50	9.25		
Mr. Shailendra Raj Mehta			12.00	10.75		
Dr. Sandeep Bhargava			12.00	9.75		
Investment in Subsidiary Companies	**1.00**	**3,417.79**				
Poly Medicure BV, Netherlands	-	3,417.79				
Plan 1 Health India Pvt. Ltd.	1.00					
Investment Written Off	**-**	**130.33**				
US Safety Syringes Co. LLC, USA	-	130.33				
Management Fee			**209.31**	**141.84**		
Mr. Alessandro Balboni			**209.31**	**141.84**		

Outstanding balances at the year end

(₹ in Lacs)

Particulars	Subsidiaries and Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Dividend/Share Governing Council outstanding	**45.46**	**37.78**				
Ultra for Medical Devices	45.46	37.78				
Directors' Remuneration / Salary payable			**331.90**	**399.70**		
Mr. Himanshu Baid			161.23	196.19		
Mr. Rishi Baid			162.70	197.68		
Mr. Vishal Baid			4.33	2.43		
Mr. J. K. Oswal			3.10	2.84		
Mr. Avinash Chandra			0.54	0.56		
Commission Payable			**48.60**	**40.50**		
Mr. J. K. Baid			8.10	6.75		
Mrs. Mukulika Baid			8.10	6.75		
Mr. Devendra Raj Mehta			8.10	6.75		
Mr. Prakash Chand Surana			8.10	6.75		
Mr. Shailendra Raj Mehta			8.10	6.75		
Dr. Sandeep Bhargava			8.10	6.75		
Management Fee & Others Payable			**13.99**	**16.71**		
Mr. Alessandro Balboni			13.99	16.71		
Trade Receivable	**516.80**	**624.56**			**26.96**	**71.05**
Vitromed Healthcare					26.96	71.05
Plan 1 Health SRL , Italy	21.51	0.95				
Ultra for Medical Products	495.29	623.61			-	-
Trade Payable / Payable for capital goods	**48.40**	**14.95**			**406.30**	**420.06**
Vitromed Healthcare					406.30	420.06
Poly Medicure (Laiyang) Co. Ltd	-	14.95				
Plan 1 Health SRL, Italy	16.80	-				
Advance from customer						
Ultra for Medical Products	31.60	-				
Advance against Goods/Services						
Plan 1 Health SRL, Italy	11.40	-				

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Net profit after tax available for equity share holders (₹ In lacs)	9,238.28	6,628.39
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	8,82,46,980	8,82,36,930
Basic Earnings per Share (in ₹)	10.47	7.51
Diluted Earnings per Share		
Weighted Average no. shares outstanding during the year	8,82,46,980	8,82,36,930
Effect of dilutive issue of stock options	34,378	10,050
Weighted Average no. shares outstanding for diluted EPS	8,82,81,358	8,82,46,980
Diluted Earnings per Share (in ₹)	10.46	7.51

41 EMPLOYEE BENEFIT:

As per Ind AS - 19 “Employee Benefits”, the disclosures are as under:

I Defined Contribution Plan - Provident Fund

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

During the year, the company has recognised the following amount in statement of profit and loss

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Employers’ contribution to provident fund * #	583.46	407.42

* incuded in “contribution to provident fund and others” under employee benefit expenses (refer note no. 28)

“# excluding contribution to provident fund transferred to Research and Development Expenses ₹ 12.56 lacs (PY ₹ 8.37 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 2020	31 March 2019
Obligations at year beginning	**321.58**	**268.28**
Service Cost - Current	50.93	50.89
Service Cost - Past	-	-
Interest expenses	24.60	20.47
Acturial (gain) / Loss on PBO	(38.98)	(3.70)
Benefit payments	(24.91)	(14.36)
Addition due to transfer of employee	-	-
Obligations at year end	**333.23**	**321.58**

(ii) Change in plan assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	**157.55**	**137.22**
Actual return on plan assets	12.16	10.50
Less- FMC Charges	(0.90)	(0.81)
Employer contribution	18.00	25.00
Benefits paid	(24.91)	(14.36)
Fair value of plan assets at the end of the period	**161.91**	**157.55**

(iii) Assets and Liabilities recognized in the Balance Sheet

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	**31 March 2019**
Present Value of the defined benefit obligations	333.23	321.58
Fair value of the plan assets	161.91	157.55
Amount recognized as Liability	**171.32**	**164.03**

(iv) Defined benefit obligations cost for the year:

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	**31 March 2019**
Service Cost - Current	50.93	50.89
Service Cost - Past	-	-
Interest Cost	12.55	10.00
Expected return on plan assets	-	-
Actuarial (gain) loss	-	-
Net defined benefit obligations cost	**63.48**	**60.89**

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	**31 March 2019**
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	38.98	3.70
Actuarial gain /(loss) for the year on Asset	(0.79)	(0.79)
Unrecognized actuarial gain/(loss) for the year	38.19	2.90

(vi) Investment details of Plan Assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	**31 March 2019**
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 2020	**31 March 2019**
Discount Rate per annum	6.92%	7.65%
Future salary increases	4.00%	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 2020	31 March 2019
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				
	31-03-2020	31-03-2019	31-03-2018	31-03-2017	31-03-2016
Defined benefit obligations	333.23	321.58	268.28	260.83	194.65
Plan assets	(161.91)	(157.55)	(137.22)	(5.00)	-
Deficit /(Surplus)	**171.32**	**164.03**	**131.06**	**255.83**	**194.65**

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Service Cost	65.87	64.39
Net Interest Cost	11.86	12.55
Expected contribution for next annual reporting perod	77.73	76.94

(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		
	31-03-2020	31-03-2019	Impact	31-03-2020	31-03-2019	Impact	31-03-2020	31-03-2019
Discount Rate per annum	0.50%	0.50%	Decrease by	(20.65)	(20.50)	Increase by	22.75	22.60
Future salary increases	0.50%	0.50%	Increase by	21.85	22.97	Decrease by	(19.91)	(21.00)

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	23.92
b	1 to 2 Year	5.16
c	2 to 3 Year	7.00
d	3 to 4 Year	5.53
e	4 to 5 Year	7.13
f	5 to 6 Year	9.36
g	6 Year onwards	275.14

(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 ₹ 161.72 lacs form part of long term provision ₹ 143.67 Lacs (PY ₹ 106.06 Lacs) and short term provision ₹ 18.05 Lacs (PY ₹ 12.65 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

42 Borrowing cost of ₹ 5.97 lacs (Previous Year ₹ Nil) have been included in capital work in progress.

43 SEGMENT INFORMATION:

Description of segment and principal activity. The company is primarily in the business of manufacture and sale of medical devices. Operating segments are reported in the manner consistent with internal reporting to Managing director of the company. The company has regular review procedures in place and Managing director reviews the operations of the company as a whole, Hence there are no reportable segments as per Ind AS 108 Operating segment.

Information about Geographical areas

The following information discloses revenue from customers based on geographical areas.

i) Revenue on product group wise (Ind AS 108, Para 32)

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Medical Devices	62,908.94	56,765.02
Total	**62,908.94**	**56,765.02**

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
With in India	18,683.90	16,397.89
Outside India	44,225.04	40,367.13
Total	**62,908.94**	**56,765.02**

iii) None of the non-current assets (other than financial instruments, investment in subsidiaries/ associates) are located outside India.

iv) None of the customers of the company individually account for 10% or more sale.

v) The Company being manufacture of medical devices continued its operations as per applicable guidelines of central and state government during the lock down period ended 31st March 2020 due to COVID-19. The Company has concluded that owing to nature of products the company manufactures, impact of COVID-19 is not material based on revenue estimates.

44 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of expenditure incurred on CSR are as under:

(₹ in Lacs)

S. No.	Particulars	Year ended	
		31 March 2020	31 March 2019
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	174.72	160.09
b	Amount spent during the year on :		
	i Construction / acquisition of any assets	-	-
	ii On purposes other than (i) above	237.72	153.84
c	Unspent amount in CSR	-	6.26
d	The breakup of expenses included in amount spent are as under:		
Particulars			
Animal protection		0.50	
On food relief activity		1.00	
On promoting education		43.31	17.55
Social welfare		0.78	
On promotion of Healthcare		3.00	7.30
Promoting gender equality & empower women		1.02	
Contribution to CSR Eligible Trust,Foundation & Society		188.10	128.99
	Total	**237.72**	**153.84**

45 SHARE BASED PAYMENTS:

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

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

The exercise period commences from the date of vesting of the options and expires at the end of 3 months from the date of such vesting or such extended period. Out of total 20,100 Equity Shares vested during 2018-19, 10,050 Equity Shares of Rs.5 each was excercised during 2018-19 and balance 10,050 equity shares in 2019-20.

"The company has also formulated ""Poly Medicure Employee Stock Option Scheme, 2016 (ESOP 2016)"" duly approved by the share holders in the annual general meeting held on 27th Sept 2016 in accordanace of which the ESOP Commitee of Board of Directors of the company held on 27th Sept 2016 has granted 42950 equity shares to eligible employees on the following terms & Conditions: All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting,failing which the option shall lapse, or such other date as decided by the compensation committee. Provided, however that in case of cessation of employement,the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.

The vesting period for the conversion of options are as follows:

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

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

a Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOP 2015)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value
(Year of Grant)				
2016-17	23500	2018-19	50	296

b Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOP 2016)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value
(Year of Grant)				
2019-20	42950	2021-22 2022-23	50	147

c Movement of share options during the year

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of share options	Exercise Price	Number of share options	Exercise Price
Balance at the beginning of the year	10,050	50	20,550	50
Granted during the year (ESOP-2016)	42,950	50	-	-
Forfeited during the year	1,400	-	450	-
Exercised during the year (ESOP-2015)	10,050	50	10,050	50
Expired / Lapsed during the year	-	-	-	-
Balance Options to be exercised at the end of the year	41,550	50	10,050	50

d Compensation expenses arising on account of share based payments (₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Share based payment expenses to employees	13.89	18.69
Total	**13.89**	**18.69**

e Fair value on grant date

The fair value on grant date is determined using Black Scholes Model which takes into account exercise price, terms of option, share price at grant date and expected price volatility of the underline shares, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted

Particulars	ESOS 2015	ESOS 2016
a Exercise price	50	50
b Grant date	2nd June 2016	3rd June 2019
c Vesting year	2018-19	2021-22 2022-23
d Share price at grant date	350	195
e Expected price volatility of the company share	20% to 25%	20% to 25%
f Expected dividend yield	1.18%	0.86%
g Risk free interest rate	6.50%	6.92%

The expected price volatility is based on the historic volatility.

46. Standards issued and amended but not effective

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments thereto. There is no such notification which would have been made applicable from 1 April,2020.

47. 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 M C BHANDARI & Co. (Reg no.303002E)
Chartered Accountants
Rabindra Bhandari
Partner
Membership No. 097466

Place : New Delhi
Date : 05.06.2020

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF POLY MEDICURE LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Poly Medicure Limited ("the Holding Company") its foreign subsidiaries and subsidiary company incorporated in India (the Company and its subsidiaries together referred to as "the Group") its associate as per list annexed, which comprise the Consolidated Balance Sheet as at 31 March, 2020, 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 31 March, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows including its associate for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the Key Audit Matter was addressed
Goodwill The Group has recognised goodwill on consolidation amounting to ₹ 2858.11 lacs. The group conducts annual impairment testing of goodwill using discounted cash flow method. Significant judgements are used to estimate the recoverable amount of goodwill. The determination of recoverable amount involves use of several key assumptions including estimate of future sales volume, price, operating margin and discount rate and is, hence, considered as a key audit matter. The Group has assessed that no impairment in the value of goodwill is necessitated. (Refer Note 47)	We have assessed business plan and future cash flows of Step subsidiary company to evaluate management position on non-impairment in value of goodwill on consolidation. Our audit procedures included following: Evaluated the design and tested operating effectiveness of management control in assessing carrying amount of goodwill. Obtained computation of recoverable amount and tested reasonableness of key assumptions Obtained & Evaluated management sensitivity analysis to ascertain impact of changes in key assumptions for determining downside impact on recoverable amount.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, as for the year ended 31 March, 2020 the other information has not yet been prepared and not yet approved by Board of Directors.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the directors of Holding company.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls. There is only one subsidiary company incorporated in India and two subsidiary companies are incorporated out of India.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited to express an opinion on the consolidated financial statements.

  We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statement which have been audited by other auditors situated outside India, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of holding company and subsidiary company incorporated in India included in financial statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of one foreign subsidiary, whose financial statements reflect total assets of ₹1173.62 lacs as at 31st March 2020 and total revenue of ₹1387.38 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 ₹214.07 lacs. The financial statements of one foreign subsidiary namely Poly Medicure (Laiyang) Co. Ltd., China and of one associate namely Ultra for Medical Products (UMIC), Egypt, have been audited by other auditors outside India whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

The Financial Statement of one foreign subsidiary (as Consolidated) namely Poly Medicure BV Netherlands in which financial statement of Step Subsidiary Plan 1 Health are consolidated and whose consolidated financial statement/information reflect total assets of ₹4868.58 Lacs as at 31st March'2020, and total consolidated revenue of ₹2857.88 Lacs for the year ended on that date as considered in the Consolidated financial statements. These consolidated financial statement/financial information have not been audited as based on article 2.396 Section 6 of Dutch Civil Code, the said foreign subsidiary company is exempt from the obligation to have the annual accounts (including consolidated accounts) audited by the auditor, and are, therefore, management certified and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosure included in respect of the Subsidiary so far as it relates to the aforesaid subsidiary is based solely on the basis of management certified consolidated financial statements.

In respect of subsidiaries/ associate located outside India whose financial result and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditor/ management certified. The holding company's management has converted the financial results of such subsidiaries/associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the holding company's management. Our opinion in so far as it relates to the balances and affair of such subsidiaries/ associate located outside India is based on the report of other auditor/ management certified and the conversion adjustment prepared by the management of the holding company and audited by us.

Our Opinion on Consolidated financial statements and our report on other legal and regulatory requirements is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statement/financial information as certified.

The Consolidated annual financial results includes the results for the quarter ended March 31,2020 being the balancing figures between the audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were limited reviewed by us.

Attention is drawn to the fact that the corresponding figures for the quarter ended March 31,2019 and for the period April 1,2018 to March 31,2019 are based on the previously issued consolidated annual financial results and consolidated financial statements of the company that were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated annual financial results dated May 10,2019.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters.

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 31 March, 2020 taken on record by the Board of Directors of the holding Company, and of subsidiary company incorporated in India, none of the directors of the holding Company and its subsidiary company incorporated in India is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy and the operating effectiveness of the internal financial control over financial reporting with reference to these consolidated financial statement of the Holding company and its subsidiary company incorporated in India, refer to our separate report in annexure 1 to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditors on separate financial statements as also other financial information of subsidiaries, associates as noted in "other Matter'' paragraph.

i. The consolidated financial statements discloses impact of pending litigations on the consolidated financial position of the Group.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

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

For **M C Bhandari & Co.**
Chartered Accountants
Firm's registration number: 303002E

Rabindra Bhandari
Partner
Membership number: **097466**
UDIN:20097466AAAAAK6412

Place: New Delhi
Date: 5th June 2020

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 2020, we have audited the internal financial controls over financial reporting of Poly Medicure Limited ("the Holding Company") as of that date.

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

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

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

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

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

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

compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **M C Bhandari & Co.**
Chartered Accountants
Firm's registration number: 303002E

Rabindra Bhandari
Partner
Membership number: **097466**
UDIN: 20097466AAAAAK6412

Place: New Delhi
Date: 5th June 2020

Annexure I: List of entities consolidated as at 31 March 2020

1.	Poly Medicure (Laiyang) Co. Ltd.- China - Wholly owned Subsidiary
2.	Poly Medicure BV - Netherlands (Consolidated) – Wholly owned Subsidiary
3.	Ultra for Medical Products Co. (UMIC) – Egypt – Associate
4.	Plan 1 Health India Pvt. Ltd. Subsidiary

Poly Medicure Limited

Consolidated Balance Sheet as at 31 March, 2020

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
1. Non-Current assets			
(a) Property, plant and equipment	2	31,241.09	26,065.42
(b) Capital work-in-progress		1,669.64	936.42
(c) Right of Use		309.40	-
(d) Investment Property	3	345.91	352.07
(e) Goodwill on consolidation		2,858.11	2,858.11
(f) Intangible assets	2	1,540.49	1,350.64
(g) Intangible assets under development		800.94	1,005.38
(h) Financial Assets		-	-
(i) Investment in associates	4	723.47	503.38
(ii) Other Investments	5	222.99	224.04
(iii) Other financial assets	7	3,497.31	1,124.54
(i) Other non-current assets	8	1,744.32	808.07
Total non-current assets		**44,953.67**	**35,228.07**
2 Current assets			
(a) Inventories	9	11,209.49	8,379.09
(b) Financial assets			
(i) Investments	5	1,592.21	26.76
(ii) Trade receivables	10	12,711.71	12,838.26
(iii) Cash and cash equivalents	11	485.74	431.76
(iv) Bank balances other than (iii) above	12	2,049.78	5,027.60
(v) Loans	6	13.71	22.78
(vi) Other financial assets	7	403.81	541.46
(c) Other current assets	8	3,312.35	2,899.35
Total current assets		**31,778.80**	**30,167.06**
TOTAL ASSETS		**76,732.47**	**65,395.13**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	4,412.35	4,411.85
(b) Other equity	14	39,070.03	33,725.16
Equity attributable to shareholders of the company		**43,482.38**	**38,137.01**
Non-controlling interest		-	
Total equity		**43,482.38**	**38,137.01**

(₹ in Lacs)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
LIABILITIES			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	11,057.41	9,137.97
(ii) Lease Liabilities		328.32	
(iii) Other financial liabilities	16	103.35	387.60
(b) Provisions	17	380.48	313.07
(c) Government Grants		220.48	194.00
(d) Deferred tax liabilities (Net)	18	1,448.92	1,866.31
Total non-current liabilities		**13,538.96**	**11,898.95**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	5,701.23	4,547.48
(ii) Lease Liabilties		104.02	
(iii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		861.95	171.97
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,774.11	5,381.84
(v) Other financial liabilities	21	5,498.22	4,056.85
(b) Other current liabilities	22	1,622.60	841.85
(c) Provisions	17	41.97	34.42
(d) Current tax liabilities (net)	23	107.04	324.74
Total current liabilities		**19,711.14**	**15,359.17**
TOTAL LIABILITIES		**76,732.47**	**65,395.13**
Significant accounting policies	a-aa		
The accompanying notes are integral part of the consolidated Financial Statements	1 - 49		

As per our report of even date annexed
For M C Bhandari & Co. (Reg No.303002E)
Chartered Accountants
Rabindra Bhandari
Partner
Membership No. 097466

Place : New Delhi
Date : 05.06.2020

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Poly Medicure Limited

Consolidated Statement of Profit and Loss for the year ended 31 March, 2020

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
INCOME			
Revenue from operations	24	68,723.90	61,082.53
Other income	25		
Total Revenue		**70,570.24**	**62,909.24**
EXPENSES			
Cost of materials consumed	26	22,522.01	19,492.01
Purchases of Stock-in-Trade		70.55	1,454.41
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(888.06)	(80.03)
Excise duty on sale of goods		-	-
Employee benefits expense	28	13,876.44	11,660.71
Research and development expenses	29	1,194.24	1,014.90
Finance cost	30	1,831.43	1,175.06
Depreciation and amortization expense	31	4,052.78	3,729.22
Other expenses	32	15,552.59	14,595.39
Total Expenses		**58,211.98**	**53,041.67**
Profit before tax, and share of net profit from associates		**12,358.26**	**9,867.57**
Share of profit from associates		214.07	139.88
Profit before tax		**12,572.33**	**10,007.45**
Tax expenses:			
(1) Current tax		3,317.28	3,085.58
(2) Deferred tax		(384.10)	293.27
(3) Tax adjustment for earlier years (net)		51.36	88.70
Total tax expenses	33	**2,984.54**	**3,467.55**
Profit after tax		**9,587.79**	**6,539.90**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Acturial gains/(losses) of defined benefit plan		38.19	2.91
Tax impacts on above		(9.61)	(1.02)
Other comprehensive income for the year (net of tax)		**28.58**	**1.89**
Total comprehensive income for the year		**9,616.37**	**6,541.79**
Profit for the year attributable to:			
Equity holders of the parent		9,587.79	6,539.90
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Equity holders of the parent		9,616.37	6,541.79
Non-controlling interests		-	-
Earnings per equity share: (Face value ₹ 5 each) in rupees	40		
Basic		10.86	7.41
Diluted		10.86	7.41
Significant accounting policies	a-aa		
The accompanying notes are integral part of the consolidated financial statements	1 - 49		

As per our report of even date annexed

For M C Bhandari & Co. (Reg No.303002E)

Chartered Accountants

For and on behalf of the Board of Directors

Rabindra Bhandari	Himanshu Baid	Rishi Baid
Partner	Managing Director	Joint Managing Director
Membership No. 097466	DIN: 00014008	DIN: 00048585
Place : New Delhi	J.K.Oswal	Avinash Chandra
Date : 05.06.2020	CFO	Company Secretary

Poly Medicure Limited

Consolidated Statement of Cash Flow for the year ended 30 March 2020

(₹ in Lacs)

	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax and exceptional items	**12,358.26**	**9,867.57**
	Adjusted for:		
	Depreciation and amortisation	4,052.78	3,729.22
	Share in Income of Associates	214.07	139.88
	Interest expense	1,831.43	1,175.06
	Interest income	(484.05)	(349.47)
	Dividend/ Governing Council Share	(15.61)	(155.31)
	Loss/(profit) on sale of fixed assets, net	(13.04)	(78.40)
	Debts/advances written off	30.73	56.46
	Provision for doubtful debts and advances	29.34	-
	Credit balances no longer required, written back	(53.79)	(153.58)
	Deferred employee compensation expenses (net)	13.89	18.69
	Unrealised foreign exchange (gain) /loss	(407.66)	251.12
	Other Comprehensive Income	38.19	2.91
	Write off of Non-Controlling Interest		0.26
	Ind As Adjustment for Unrealised Gain on Mutual Fund	(64.40)	(16.70)
	Ind As Adjustment on Govt. Grant & Subsidy	(64.65)	(80.55)
	Ind As Adjustment for Interest Income on Financial Assets	(3.82)	(3.43)
	Ind As Adjustment on Forward Contracts (Net)	334.68	(157.08)
	Ind As Adjustment for Deferred Processing fees	27.68	15.34
	Ind As Adjustment for Interest on Security Deposit against Rent	3.88	3.88
	Other adjustments including minority	23.25	24.26
	Operating profit before working capital changes	**17,851.16**	**14,290.13**
	Movement in working capital		
	Decrease/(increase) in inventories	(2,830.40)	(1,080.19)
	Decrease/ (increase) in sundry debtors	589.96	(1,915.41)
	Decrease/(Increase) in financial assets	(416.40)	(208.13)
	Decrease/(Increase) in other assets	(398.41)	809.03
	Increase/ (decrease) in trade payables	1,020.22	1,368.82
	Increase/ (decrease) in other financial liabilities	(27.86)	(12.19)
	Increase/ (decrease) in other liabilities	780.74	64.29
	Increase/ (decrease) in provisions	74.96	104.36
	Cash generated from operations	**16,643.98**	**13,420.70**
	Direct taxes paid (net of refunds)	(3,593.48)	(2,772.47)
	Net cash from operating activities	**13,050.50**	**10,648.23**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(10,602.16)	(7,799.72)
	Purchase of Investments (net)	(1,720.09)	1,003.28
	Proceeds from / (Investment in) Fixed Deposits (net)	818.25	(3,829.71)
	Proceeds from sale of fixed assets	34.04	241.07
	Dividend Income	37.78	117.53
	Interest income	486.33	193.93
	Net cash used for investing activities	**(10,945.85)**	**(10,073.63)**

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings / deferred payment liabilities (net)	3,329.48	2,824.13
Proceeds from Share Allotments	5.03	5.03
Repayment of Lease Liabilities (including interest)	(136.11)	-
Dividend and tax thereon Paid	(4,247.46)	(2,119.25)
Interest / Finance charges paid	(1,001.61)	(1,222.82)
Net cash from (used for) financing activities	**(2,050.67)**	**(512.92)**
Net increase in cash and cash equivalents (A+B+C)	**53.98**	**61.68**
Cash and cash equivalents at the beginning of the year	**431.76**	**370.08**
Cash and cash equivalents at the end of the year	**485.74**	**431.76**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with Banks in current account	407.62	417.42
Cheques, drafts on hand	-	0.29
Cash on hand (including foreign currency notes)	20.74	13.91
Fixed deposits with banks, having original maturity of three months or less	57.38	0.14
Cash and cash equivalents at the end of the year	**485.74**	**431.76**

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES	Year ended 31 March 2020	Year ended 31 March 2019
Cash and cash equivalents at the end of the year as per above	**485.74**	**431.76**
Add: Balance with banks in dividend / unclaimed dividend accounts	30.55	22.55
Add: Fixed deposits with banks, having maturity period for less than twelve months	2,019.23	5,005.05
Add: Fixed deposits with banks (lien marked)	1,553.05	791.78
Add: Fixed deposits with banks, having maturity period for more than twelve months	1,592.41	194.11
Cash and bank balances as per balance sheet (refer note 7, 11 and 12)	**5,680.98**	**6,445.25**

DISCLOSURE AS REQUIRED BY IND AS 7

Reconciliation of liabilities arising from financing activities

31 March, 2020	Opening Balance	Cash flow	Non Cash flow Changes	Closing Balance
Short term secured borrowing	**6,934.31**	1,974.83	263.02	**9,172.16**
Long term secured borrowing	**9,137.97**	1,354.65	564.79	**11,057.41**
Total liabilities from financing activities	**16,072.28**	**3,329.48**	**827.81**	**20,229.57**

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**	**2,824.12**	**(38.19)**	**16,072.28**

Notes:

This is the Cash Flow Statement referred to in our report of even date.

The above Consolidated cash Flow statement should be read in conjunction with the accompanying notes

As per our report of even date annexed

For M C Bhandari & Co. (Reg No.303002E)

Chartered Accountants

Rabindra Bhandari
Partner
Membership No. 097466

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Joint Managing Director
DIN: 00048585

Place : New Delhi
Date : 05.06.2020

J.K.Oswal
CFO

Avinash Chandra
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March 2020

A. Equity share capital

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
At the beginning of the year	4,411.85	4,411.34
Changes in equity share capital during the year	0.50	0.50
At the end of the year	**4,412.35**	**4,411.85**

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 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 subsidiary							(0.09)			(0.09)
Transfer from retained earnings to General reserve						2,500.00	(2,500.00)			-
Addition on account of employees stock option granted				(11.46)						(11.46)
Final Dividend and tax thereon, declared and paid during the year							(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**
Balance as at 1 April 2019	**46.98**	**248.51**	**34.67**	**30.15**	**460.71**	**16,134.83**	**16,727.76**	**26.32**	**15.23**	**33,725.16**
"Transitional impact upon initial adoption of Ind As 116 (Refer Note 38)"							(79.86)			(79.86)
Restated Balance as at 1 April 2019	**46.98**	**248.51**	**34.67**	**30.15**	**460.71**	**16,134.83**	**16,647.90**	**26.32**	**15.23**	**33,645.30**
Profit for the year							9,587.79			9,587.79
Received during the year	(0)		34.67							34.67
Other comprehensive income (net of taxes)									28.59	28.59
Addition in opening balance on account of subsidiary							18.75			18.75
Transfer from retained earnings to General reserve						2500	(2,500.00)			-
Transfer from retained earnings to Capital Reserve							-			-
Addition (deletion) during the year (Net of lapses)				(16.26)						(16.26)
Final Dividend / Dividend tax adjusted							(2,127.73)			(2,127.73)
Interim dividend and tax thereon, declared and paid during the year							(2,127.73)			(2,127.73)
Dividend from associate adjusted							-			-
Addition during the year		161.26			(149.09)			14.49		26.66
Balance as at 31 March 2020	**46.98**	**409.77**	**69.34**	**13.89**	**311.62**	**18,634.83**	**19,498.98**	**40.81**	**43.82**	**39,070.03**

Note:

General Reserve has 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 01.04.2018	**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**	**272.72**	**528.48**	**26,065.42**	**452.27**	**898.36**	**1,350.64**	**27,416.06**
Gross Carrying Value as on 01.04.2019	**1,590.74**	**862.18**	**6,017.55**	**34,844.14**	**544.02**	**965.26**	**900.91**	**45,724.80**	**821.19**	**1,379.05**	**2,200.24**	**47,925.04**
Additions during the year	1,448.50	-	1,061.86	6,124.37	43.61	116.32	148.73	8,943.39	121.89	280.28	402.16	9,345.55
Deductions/Adjustments	-	-	(7.67)	330.25	-	33.55	73.77	429.90	16.66	-	16.66	446.56
Gross Carrying Value as on 31.03.2020	**3,039.24**	**862.18**	**7,087.08**	**40,638.26**	**587.63**	**1,048.03**	**975.87**	**54,238.29**	**926.42**	**1,659.33**	**2,585.75**	**56,824.04**
Accumulated Depreciation as on 01.04.2019	**-**	**59.77**	**1,144.80**	**17,055.13**	**334.72**	**692.53**	**372.43**	**19,659.38**	**368.92**	**480.68**	**849.60**	**20,508.98**
Depreciation for the year	-	9.28	217.52	3,266.93	38.25	94.80	114.89	3,741.68	91.62	120.52	212.14	3,953.82
Deductions/Adjustments	-	-	(2.97)	311.49	-	33.32	62.01	403.85	16.48	-	16.48	420.33
Accumulated Depreciation as on 31.03.2020	**-**	**69.05**	**1,365.29**	**20,010.57**	**372.97**	**754.01**	**425.31**	**22,997.21**	**444.06**	**601.20**	**1,045.26**	**24,042.47**
Carrying Value as on 31.03.2020	**3,039.24**	**793.13**	**5,721.79**	**20,627.69**	**214.66**	**294.02**	**550.56**	**31,241.08**	**482.36**	**1,058.13**	**1,540.49**	**32,781.57**

2.1 Borrowing cost of ₹ 5.97 lacs (previous year Nil) have been included in additions to Fixed Assets.

2.2 The estimated amortisation in intangible assets for the year subsequent to 31st March 2020 is as follows:

(₹ in Lacs)

Year Ending March 31	Amortisation Expense
2021	180.83
2022	171.72
2023	168.72
Thereafter	1,019.21

2.3 Right of Use Asset

(₹ in Lacs)

Balance as at 1st April 2019	402.22
Depreciation for the year	92.82
Closing balance as 31st March 2020	309.40

3. Notes on consolidated Financial Statement for the Year ended 31 March,2020

(₹ in Lacs)

INVESTMENT PROPERTIES	Year ended 31 March 2020	Year ended 31 March 2019
Gross balance at beginning	372.74	363.65
Additions during the year	-	9.09
Disposals / Deductions	-	-
Depreciation for the year	6.15	6.00
Accumulated Depreciation	(26.83)	(20.67)
Net balance at the end of reporting period	**345.91**	**352.07**

Fair Value	331.34	341.51

Amount recognised in Statement of Profit & Loss for Investment Properties	Year ended 31 March 2020	Year ended 31 March 2019
Rental Income	**9.18**	**8.91**

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 one (PY two) Investment properties valued at Rs. 160.22 Lacs (PY Rs. 241.17 Lacs) are yet to be executed in favor of the company.

4. INVESTMENT ASSOCIATES

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(valued at cost unless stated otherwise)				
Unquoted equity instruments - fully paid				
Investment in associates				
96,600 (previous Year 73,600) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	723.47	503.38	-	-
Total	**723.47**	**503.38**	**-**	**-**

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Aggregate amount of Unquoted Investment	723.47	503.38	-	-
Aggregate provision for diminuation in the value of Investment	-		-	-
Category wise summary:	**723.47**	**503.38**		
Financial assets measured at amortised cost (net of provision)			-	-
Financial assets measured at fair value through profit and loss	-	-	-	-

5. OTHER INVESTMENT

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Investment carried at fair value through profit and loss				
Unquoted				
In Fixed Maturity Plans				
UTI FITF Series XXVII - II (1161 DAYS)	222.99	224.04	-	-
In Liquid Mutual Funds	**-**			
HDFC Corporate Debt Opportunities Fund	-	-	-	-
ICICI Prudential Regular Saving Fund -	-	-	-	-
SBI Corporate Bond Fund - Reg - Gr	-	-	-	-
Birla Sun Life Corporate Bond Fund-GR.R	-	-	-	-
Kotak Income Opp.Fund-Growth Regular Pl	-	-	-	-
ICICI Prudential Balance Advantage Fund	-	-	23.15	26.76
UTI Income Opportunities Fund- Growth P	-	-	-	-
HDFC Medium Term Debt Fund-Regular Plan	-	-	1,049.03	-
Kotak Low Duration Fund Standard Growth	-	-	260.75	-
Franklin India Savings Fund Retail Option	-	-	259.28	-
Total	**222.99**	**224.04**	**1,592.21**	**26.76**
Aggregate amount of Unquoted Investment	**222.99**	**224.04**	**1,592.21**	**26.76**
Aggregate provision for diminuation in the value of Investment	-	-	-	-
Category wise summary:				
Financial assets measured at cost (net of provision)	-	-	-	-
Financial assets measured at fair value through profit and loss	222.99	224.04	1,592.21	26.76

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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Considered good- Unsecured:				
Loans and advances to employees	-	-	13.71	22.14
Others	-	-	-	0.64
Total	**-**	**-**	**13.71**	**22.78**

7. OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, considered good, unless stated otherwise)				
Security Deposits				
Considered good	247.46	113.12	117.78	151.43
Considered doubtful	-	-	8.68	9.78
Less: Provision for doubtful deposits	-	-	(8.68)	(9.78)
Interest accrued on bank deposits / Advances #	104.39	25.53	107.99	189.13
Dividend / Governing council share from associates	-	-	45.46	37.78
Gain on outstanding forward contracts reveivable	-	-	-	112.07
Other receivable ##	-	-	132.59	51.05
Non-current bank balances (refer note 12)	3,145.46	985.89	-	-
Total	**3,497.31**	**1,124.54**	**403.81**	**541.46**

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 debts

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	9.78	12.82
Movement in the amount of provision (Net)	(1.10)	(3.04)
Balalnce at the end of the year	8.68	9.78

8. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, considered good, unless stated otherwise)				
Capital Advances				
Considered Good	1,692.39	761.53	-	-
Considered Doubtful	97.50	77.08	-	-
Less: Provision for doubtful advances	(97.50)	(77.08)	-	-
Other loans and advances				
Advance for goods / services				
Considered Good	-	-	664.72	369.81
Considered Doubtful	-	-	-	-
Less: Provision for doubtful advances	-	-	-	-
Balance with revenue authorities	-	-	1,602.58	773.58
Advance tax/ tax deducted at source (net of provision)	14.27	7.13	-	-
Prepaid Expenses	37.66	39.41	333.59	125.38
GST, Excise Duty, Service tax, VAT and other refundable	-	-	109.10	566.36
Export benefits receivable	-	-	602.36	1,064.22
Total	**1,744.32**	**808.07**	**3,312.35**	**2,899.35**

8.1 Movement in provison for doubtful advances

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	77.08	84.79
Movement in amount of provision (Net)	20.42	(7.71)
Written off of provisions	-	-
Balance at the end of the year	97.50	77.08

9. INVENTORIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
(Valued at lower of cost and net realisable value)		
Raw Materials including packing materials	5,277.91	3,406.22
Goods-in transit	744.23	819.35
Work-in-progress	2,486.90	2,529.07
Finished Goods	1,960.81	1,135.94
Stock-in-trade	176.78	71.42
Stores and spares	562.86	417.09
Total	**11,209.49**	**8,379.09**

10. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Considered good- Unsecured	12,711.71	12,838.26
Credit Impaired	30.58	29.84
Less: Credit Impaired	(30.58)	(29.84)
Total	**12,711.71**	**12,838.26**

(₹ in Lacs)

Particulars	Outstanding As at end of		Maximum balance outstanding during the period ended	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Trade receivable includes:				
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	26.96	71.05	553.73	805.78
Due from Ultra For Medical Products (UMIC), being associate company	495.29	623.61	850.09	738.37

(₹ in Lacs)

Movement in the provision for doubtful debts	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	29.84	33.64
Addition/(Deletion)	10.02	(3.80)
Written off out of Provision	-9.28	
Balance at the end of the year	30.58	29.84

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 2020	As at 31 March 2019
Balances with Banks		
In current accounts	406.62	417.42
In deposit accounts, with less than 3 months maturity period	57.38	0.14
Cash in hand (including foreign currency notes)	20.74	13.91
Cheque in hand	1.00	0.29
Total	**485.74**	**431.76**

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, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Unclaimed dividend accounts	-	-	30.55	22.55
Held as margin money	1,553.05	791.78	-	-
Deposits with more than 3 months but less than 12 months maturity period	-	-	2,019.23	5,005.05
Deposits with more than 12 months maturity period	1,592.41	194.11	-	-
Amount disclosed under the head "other Non Current Financial Assets" (Refer note 7)	(3,145.46)	(985.89)		
Total	**-**	**-**	**2,049.78**	**5,027.60**

13. EQUITY SHARE CAPITAL

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised share Capital				
Equity Shares of ₹ 5 each	12,00,00,000	6,000.00	12,00,00,000	6,000.00
Issued, subscribed & paid up shares				
Equity Shares of ₹ 5 each fully paid up	8,82,46,980	4,412.35	8,82,36,930	4,411.85
Total	**8,82,46,980**	**4,412.35**	**8,82,36,930**	**4,411.85**

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

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	8,82,36,930	4,411.85	8,82,26,880	4,411.34
Add: Issued during the year by way of ESOP	10,050	0.50	10,050	0.51
Outstanding at the end of year	**8,82,46,980**	**4,412.35**	**8,82,36,930**	**4,411.85**

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, 2020		As at 31 March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Share of ₹ 5 each (Previous Year ₹ 5 each)				
M/s Ezekiel Global Business Solutions LLP	1,23,61,320	14.01%	1,23,61,320	14.01%
Mr. Rishi Baid	99,93,048	11.33%	99,93,048	11.33%
M/s Zetta Matrix Consulting LLP	83,19,660	9.43%	83,19,660	9.43%
Mr. Himanshu Baid	79,07,624	8.96%	79,07,624	8.96%

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

13.4 During the year ended 31st March 2020 the company have paid following Final / Interim dividend:

S.No.	Nature of Dividend	Date of declaration	Amount of Dividend	Dividend tax thereon
1.	Final Dividend	23rd Sept 2019	1764.94	362.79
2.	Interim Dividend	18th Feb 2020	1764.94	362.79

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 2020	As at 31 March 2019
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	**409.77**	**248.51**
Securities Premium		
Balance at the beginning of the year	34.67	-
Addition during the year	34.67	34.67
Closing Balance	**69.34**	**34.67**
Share Based Payment Reserve Account		
Balance at the beginning of the year	30.15	41.61
Addition (deletion) during the year (Net of lapses)	(16.26)	(11.46)
Closing Balance	**13.89**	**30.15**

General Reserve		
Balance at the beginning of the year	16,134.83	13,634.83
Add: Transferred from Surplus in Statement of Profit and Loss	2,500.00	2,500.00
Closing Balance	**18,634.83**	**16,134.83**
Foreign Currency fluctuation Reserve	**311.62**	**460.71**
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	16,727.76	14,970.51
Add: Addition in opening balance on account of subsidiary	18.75	(0.09)
Less:Adjustment on account of initial adoption of Ind AS 116 (Net of deferred tax of Rs.42.89 lacs) Refer Note no 38	(79.86)	-
Add: Additions during the year	9,587.79	6,539.90
Less: Dividend adjusted for previous year	(1,764.94)	(1,764.54)
Less: Dividend tax adjusted for previous year	(362.79)	(362.71)
Less: Interim Dividend	(1,764.94)	
Less: Interim Dividend tax	(362.79)	
Less: Transferred to General Reserve	(2,500.00)	(2,500.00)
Less: Dividend from associate adjusted	-	(155.31)
Closing Balance	**19,498.98**	**16,727.76**
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	15.23	13.34
Add: Addition during the year	28.58	1.89
Closing Balance	43.82	15.23
Shares in reserves in associates	40.81	26.32
Grand Total	**39,070.03**	**33,725.16**

15. BORROWINGS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	**As at 31 March, 2019**	**As at 31 March, 2020**	**As at 31 March, 2019**
Secured - At Amortised Cost				
(i) Term loans				
from banks	10,853.17	9,117.61	3,283.27	2,333.82
(ii) Others - Vehicle Loan				
from banks	2.68	20.36	17.68	16.11
from others	-	-	-	36.91
(iii) Deferred payment liabilities	201.56	-	169.98	-
(v) Equipment Financing	-	-	-	-
other current financial liabilities	-	-	3,470.93	2,386.84
Total	**11,057.41**	**9,137.97**	**-**	**-**

15.1 Term loan comprises the following:

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	**As at 31 March, 2019**	**As at 31 March, 2020**	**As at 31 March, 2019**
From Bank				
Rupee Loan #	1,302.94	5,015.64	1,038.05	1,034.70
Foreign Currency Loan##	9,550.23	4,101.97	2,245.22	1,299.12

net off of Rs.2.71 (PY 6.67 lacs) as finance charge.
net off of Rs.76.74 Lacs (PY 27.88) as finance charge.

15.2 Terms of repayment:

Particulars	Weighted average Rate of interest (P.A.)	Installments	Outstanding as at 31.03.2020	Annual repayment schedule			
				2020-21	2021-22	2022-23	2023-24 & 2024-25
Rupee Loan #	8.43%	Qtr / Mon	2,340.99	1,038.05	902.94	400.00	-
Foreign Currency Loan ##	1.88%	Qtr	11,514.47	2,206.54	3,339.85	2,926.70	3,041.38
Buyers credit	0.45%	Monthly	360.43	72.09	-	288.34	-
Others - Vehicle Loan	9.35%	Monthly	20.36	17.68	2.68	-	-

includes Rs.2.71 lacs (PY 6.67 lacs) as prepaid finance charge
includes Rs.76.74 lacs (PY 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.

Foreign Currency Loan outstanding (ECB of Rs. 5416 lacs) 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 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) and 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 2020	As at 31 March 2019
Security Deposits from Agents / Others	76.39	387.60
Deferred interest on deferred payment liability	26.96	
Total	**103.35**	**387.60**

17. PROVISIONS

(₹ in Lacs)

Particulars	Non-current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Provision for employee benefits				
Gratuity	147.40	142.26	23.92	21.77
Leave Encashment	143.67	106.06	18.05	12.65
Others	89.41	64.75	-	-
Total	**380.48**	**313.07**	**41.97**	**34.42**

18. DEFERRED TAX LIABILITIES

In accordance with IND AS - 12, the company has accounted for deferred taxes during the year as under:

Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets: (₹ in Lacs)

Particulars	As at 31 March, 2020							
	Balance as at April 1 2019	Transitional IND AS 116 impact	Restated Balance as at April 1 2019"	Recognised in profit & loss	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,998.02	-	1,998.02	**(295.45)**	-	**1,702.57**	**1,702.57**	-
Provision for defined benefit plan - P&L	(55.12)	-	(55.12)	**(28.71)**	-	**(83.83)**	-	**(83.83)**
Provision for defined benefit plan - OCI	8.08	-	8.08	-	**9.61**	**17.69**	**17.69**	-
Provision for Bonus	(43.89)	-	(43.89)	**9.61**	-	**(34.28)**	-	**(34.28)**
Provision for doubtful debts and advances	(40.78)	-	(40.78)	**6.36**	-	**(34.42)**	-	**(34.42)**
Exchange difference impact under Sec 43A of income tax act.	-		-	**(87.87)**	-	**(87.87)**	-	**(87.87)**
IND AS 116	-	(42.89)	(42.89)	**11.95**	-	**(30.95)**	-	**(30.95)**
Deferred Tax (Assets) / Liabilities	**1,866.31**	**(42.89)**	**1,823.41**	**(384.11)**	**9.61**	**1,448.92**	**1,720.26**	**(271.34)**

Particulars	As at 31 March, 2019					
	Balance as at April 1 2018	Recognised in profit & loss	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)	5.09	-	(40.78)	-	(40.78)
Deferred Tax (Assets) / Liabilities	**1,572.02**	**293.28**	**1.02**	**1,866.31**	**2,006.11**	**(139.79)**

18.1 Movement on the deferred tax account is asfollows:

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,866.31	1,572.01
Transitional IND AS 116 impact	(42.89)	-
Restated Balance as at April 1 2019	**1,823.42**	
(Credit)/ Charge to the statement of profit and loss	(384.10)	293.28
(Credit)/ Charge to other comprehensive income	9.61	1.02
Balance at the end of the year	**1,448.92**	**1,866.31**

19. BORROWINGS - CURRENT

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured - from banks		
Cash / Export Credit Loan	5,436.35	4,547.48
Borrowing Others(Unsecured)	**264.88**	**-**
Total	**5,701.23**	**4,547.48**

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 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises:	861.95	171.97
Total outstanding dues of trade payables and acceptances other than above	5,774.11	5,381.84
	6,636.06	**5,553.81**

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 2020	As at 31 March 2019
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	861.95	171.97
	- Interest due	-	-
b	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

21. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (Refer note no. 15)	3,470.93	2,386.83
Interest accrued but not due on borrowings	6.21	6.40
Interest accrued and due on borrowings / Security deposits	25.79	39.41
Unpaid dividends	30.55	22.55
Other payables	-	
Employees related liabilities	1,498.89	1,489.27
Liability on account of outstanding forward contracts	227.61	-
Payables for capital goods	178.58	71.90
Dividend Payable	-	-
Others (includes deferred interest of Rs. 11.11 lacs on deferred payment liability)	59.66	40.50
Total	**5,498.22**	**4,056.85**

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

22. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers	975.06	341.73
Other payables	-	
Statutory dues	553.91	448.33
Others	93.63	51.80
Total	**1,622.60**	**841.85**

23. CURRENT TAX LIABILITIES (NET)

(₹ in Lacs)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for Tax (Net of Prepaid Tax of Rs.3,221.62 Lacs) (PY Rs.2765.02 lacs)	107.04	324.74
Total	**107.04**	**324.74**

24. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended 31 March, 2020	Year ended March 31, 2019
Sale of products		
Manufactured goods	66,845.31	58,326.49
Traded Goods	80.85	774.40
Other operating revenues		
Export Incentives	1,573.85	1,665.22
Sale of scrap	133.45	157.47
Other operating revenue of foreign subsidiary	90.43	77.61
Others	-	81.34
Total	**68,723.90**	**61,082.53**

(₹ in Lacs)

The Company disaggregates revenue based on nature of products/geography	Year ended 31 March, 2020	Year ended March 31, 2019
The revenue disaggregates is as under :		
Revenue based on Geography		
Sales		
Domestic	18,683.89	16,397.89
Export	44,195.29	40,366.18
Sales related to foreign Subsidiaries	4,046.99	2,336.82
Other operating revenue		
Domestic-Export incentives and Scarp	1,707.30	1,822.69
Other operating revenue of foreign subsidiary	90.43	77.61
Development Charges	-	81.34
	68,723.90	**61,082.53**
Revenue based on Nature of Products		
Medical Devices	66,926.17	59,100.89
Export incentives	1,573.85	1,665.22
Scrap	133.45	157.47
Development Charges & other operating revenue of foreign subsidiary	90.43	158.95
	68,723.90	**61,082.53**

(₹ in Lacs)

Reconciliation of Revenue	Year ended 31 March, 2020	Year ended March 31, 2019
Gross value of contract price	67,237.69	59,434.08
Less : Variable components i.e.,Rebate & discount	311.52	333.19
Other operating revenue	1,797.73	1,981.64
Revenue from operation as recognised in final statement	**68,723.90**	**61,082.53**

(₹ in Lacs)

Reconciliation of Advance received from Customers	Year ended 31 March, 2020	Year ended March 31, 2019
Balance at the beginning of the year	341.73	388.59
Less : Revenue recognised out of balance of advance received from customer at beginning of year	261.80	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	895.13	324.25
Balance at the close of the year	**975.06**	**341.73**

The Company have orders in hand as at 31st March 2020 for Rs.8375.57 lacs, for which performance obligation amounting to Rs.8375.57 lacs will be recognised as revenue during the next reporting year.The company have evaluated the impact of Covid 19 on position of orders in hand as on 31st March 2020 and do not expect any major/significant cancellation/reduction in order value as at the date of approval of the financial statement.

25. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest Income		
Interest Income on Fixed and other Deposits	484.05	349.47
Interest Income on Income Tax Refund	-	-
Interest Income from Financial Assets Measured at Amortised Cost	3.82	3.43
Dividend/ Governing Council Share	15.61	155.31
Other non-operating income		
Rental Income from Investment Property	9.18	8.91
Government Grants and Subsidies	64.65	80.55
Income from Mutual Funds	-	25.76
Miscellaneous Income	77.87	276.27
Other Gain		
Provisions / Liabilities no longer required written back (net)	53.79	153.58
Gain on fixed assets sold/discarded	13.04	78.40
Gain on Foreign Exchange Fluctuation (net)	1,059.93	678.33
Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	64.40	16.70
Total	**1,846.34**	**1,826.71**

26. COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Raw Material Consumed		
Inventory at the beginning of the year	2,778.70	2,844.17
Add: Purchases during the year	19,499.01	15,045.90
Less: Inventory at the end of the year	4,459.36	2,778.70
Cost of raw material consumed (A)	**17,818.35**	**15,111.36**
Packing Material Consumed		
Inventory at the beginning of the year	627.52	766.54
Add: Purchases during the year	4,894.69	4,241.62
Less: Inventory at the end of the year	818.55	627.52
Cost of packing material consumed (B)	**4,703.66**	**4,380.65**
Total (A+B)	**22,522.01**	**19,492.01**

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

(₹ in Lacs)

Particulars		Year ended 31 March 2020	Year ended 31 March 2019	(Increase)/ Decrease
Inventories at the end of year				
Finished Goods and Stock in Trade		2,137.59	1,207.36	(930.23)
Work in progress		2,486.90	2,529.07	42.17
		4,624.49	**3,736.43**	**(888.06)**
Inventories at the beginning of year				
Finished Goods and Stock in Trade		1,207.36	1,949.40	742.04
Work in progress		2,529.07	1,707.00	(822.07)
		3,736.43	**3,656.40**	**(80.03)**

28. EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries, wages and bonus	12,695.65	10,773.87
Contribution to Provident Fund and others	990.35	738.13
Share based payment to employees	13.89	18.69
Staff Welfare Expenses	176.55	130.02
Total	**13,876.44**	**11,660.71**

29. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	740.00	681.80
Employee benefits expenses	349.38	274.94
Power and Fuel	52.65	44.76
Travelling & Conveyance	4.56	3.89
Other Misc Expenses	8.18	9.51
R&D expenditure relating to Foreign subsidiary	39.47	-
Total Revenue Expenses	**1,194.24**	**1,014.90**
Capital Expenditure	**-**	**22.30**
Total amount spent on Research and Development	**1,194.24**	**1,037.20**

30. FINANCE COST

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest expense		
Interest on loans	910.05	1,171.38
Interest on Income Tax	4.45	7.17
Exchange difference to the extent considered as an adjustment to interest costs	842.34	(21.37)
Interest on Lease Liabilities	43.49	
Others		
Other amortised borrowing costs	31.10	17.88
Total	**1,831.43**	**1,175.06**

31. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation of tangible assets	3,741.67	3,535.86
Amortisation of intangible assets	212.14	187.36
Depreciation of investment properties	6.15	6.00
Amortisation of Right of Use	92.82	
	4,052.78	**3,729.22**

32. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Consumption of stores and spare parts	1,278.02	1,428.96
Power and Fuel	2,561.84	2,474.46
Job Work Charges	5,493.94	4,804.38
Other Manufacturing Expenses	88.00	109.70
Repairs to Building	74.96	49.57
Repairs to Machinery	85.62	101.33
Repairs to Others	58.06	48.23
Insurance (Net)	273.30	168.20
Operating lease	120.48	228.30
Short term lease	52.06	-
Rates, Taxes & Fee	101.01	130.97
Travelling & Conveyance	1,301.44	1,147.08
Legal & Professional Fees	1,375.95	1,378.99
Auditors' Remuneration	19.02	24.85
Commission and Sitting Fees to Non-Executive Directors	73.25	60.25
Donations	86.13	99.51
Bank Charges	216.32	178.18
Advertisement	18.73	4.62

Commission on sales	479.98	471.67
Freight & Forwarding (Net)	520.23	444.54
Business Promotion	246.57	350.00
Exhibition Expenses	206.32	249.91
Rebate, Discounts & Claims	65.17	67.82
Provision for Doubt ful debts / Advances	29.34	-
Bad debts / Misc. Balances written off Total Amount written off Rs. 40.01 lacs. Less: Rs 9.28 lacs out of provision.	30.73	56.46
CSR Expenditure	237.72	153.83
Communication expense	49.82	57.96
Listing fees	5.40	5.40
Other Miscellaneous Expenses	403.19	300.21
Total	**15,552.59**	**14,595.39**

(₹ in Lacs)

Payment to Auditors	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Audit Fee	13.56	13.06
Tax Audit Fee	-	1.25
Limited Review of Results	3.00	3.00
In other capacity		
(a) For certification work	0.39	3.00
(b) For Others	0.11	2.50
Reimbursement of expenses	1.97	2.04
Total	**19.02**	**24.85**

33. TAX EXPENSES

(₹ in Lacs)

Particulars	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Tax expenses comprises of:		
Current tax	3,317.28	3,085.58
Earlier year tax adjustment (net)	51.36	88.70
Deferred tax	(384.10)	293.27
Total	**2,984.54**	**3,467.55**

Reconciliation of tax expenses and accounting profit multiplied by Indian tax rate	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax and share of profit from associates	12,358.26	9,867.57
Applicable tax rate	25.17%	34.94%
Tax at the Indian tax rate of 25.17% (Previous year 34.944%) and special rate Nil (PY -11.648%)	**3,110.57**	**3,442.12**
Tax adjustment on account of profit of subsidiary company on consolidation	(0.80)	110.22
Adjustment of expenses disallowed under income tax	347.07	109.80
Adjustment of expenses allowable under income tax	(35.14)	(419.79)
Other allowable deduction	(104.43)	(159.14)
Current Tax (Normal Rate)	**3,317.28**	**3,083.22**
Additional Current Tax due to Special Rate	-	2.36
Current Tax (A)	**3,317.28**	**3,085.58**
Incremental Deferred tax Liability on timing Differences (Net)	(384.10)	293.27
Deferred Tax (B)	**(384.10)**	**293.27**
Tax expenses for earlier year (net)	51.36	88.70
Tax expenses recognised in the statement of profit and loss	2,984.54	3,467.55
Effective tax rate	24.15%	35.14%

The Company has elected to exercise the option permitted under section 115BBA of Income Tax Act, 1961 as introduced by Taxation Laws (Amendments) Ordinance 2019. Accordingly, the company has recognised provision for current tax/deffered tax for the year ended 31st March, 2020 and also re-measured its deferred tax liability on the basis of rate as prescribed in the said section.

POLY MEDICURE LIMITED

Notes to Consolidated Financial Statements for the year ended 31 March, 2020

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 2020 were approved and authorized for issue by the Board of directors in their meeting held on 5th June 2020.

STATEMENT OF COMPLIANCE

The financial statements are a general purpose financial statement which have been prepared in accordance with the Companies Act 2013, Indian Accounting Standards and complies with other requirements of the law.

BASIS OF PREPARATION

These financial statements have been prepared complying in all material respects as amended from time to time with the accounting standards notified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules 2015. The financial statements comply with IND AS notified by Ministry of Corporate Affairs (“MCA”).

Accounting Policies have been consistently applied except where a newly adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relates to Poly Medicure Limited (‘the Company’) and its subsidiary companies (the company and subsidiaries referred to as “Group”) and associates. The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

ii) Where the cost of the investment is higher/lower than the share of equity in the subsidiary/ associates at the time of acquisition, the resulting difference is disclosed as goodwill/capital reserve in the investment schedule. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for in the consolidated statement of profit and loss.

iii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year.

iv) Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary.

v) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

vi) Non Controlling Interest’s share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

vii) Non Controlling Interest’s share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company’s shareholders.

viii) Investment in Associates has been accounted under the equity method as per Ind AS 28 -Investments in Associates and Joint Ventures.

ix) Companies considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	Holding as on March 31, 2020	Financial year ends on
Subsidiary			
Poly Medicure (Laiyang) Company Limited, China - Audited	China	100%	31-Mar-20
Polymed BV, Netherlands - Management certified (Consolidated)	Netherlands	100%	31-Mar-20
Plan 1 Health India Pvt Ltd.	India	99.99%	31-Mar-20
Associates			
Ultra For Medical Products Company (Ultra Med), Egypt - Audited	Egypt	23%	31-Dec-19

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) <u>Component Accounting</u>

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(iv) Stores and Spares which meets the definition of Property, plant and equipment and satisfying recognition criteria of Ind AS - 16 are capitalised as Property, plant and equipment and until that in capital work in progress.

(v) Lease Hold Assets are amortised over the period of lease.

(vi) Expenditure during construction/erection period is included under Capital Work-in-Progress and is allocated to the respective property plant and equipment on completion of construction/ erection.

(vii) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.

(viii) The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ix) Capital work in progress includes cost of Property, Plant and Equipment which are not ready for their intended use.

c Intangible assets:

(i) Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible Assets are stated at cost which includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis. In respect of patents and trademarks, useful life has been estimated by the management as 10 years unless otherwise stated in the relevant documents and in respect of SAP software as 10 year and other softwares as 3 years.

(ii) Software: Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangible assets with indefinite useful lives (like goodwill, brands), if any, are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.

(iii) Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities & Contingent liabilities of the acquiree. When the net fair value of identifiable assets, liabilities & Contingent liabilities acquired exceeds the cost of business acquisition, the bargain purchase excess is recognized after reassessing the fair value of net assets acquired in the capital reserve.

Goodwill is measured at cost less accumulated impairment losses.

"Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying, on number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from the other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to other assets of the CGU pro-rata on the basis of carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the consolidated Statement of Profit and Loss and is not reversed in the subsequent period."

d Investment properties:

Investment properties are properties held either to earn rental income or capital appreciation or for both but not for sale in the ordinary course of business, use in production or supply of goods or services or for other administrative purposes. Investment properties are initially measured at cost including transaction cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation or impairment loss. Depreciation on investment properties are provided over the estimated useful life and is not different than useful life as mentioned in schedule II of the Companies Act 2013.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in profit or loss in the period of derecognised.

Though the company measures investment properties using cost based measurement, the fair value of investment properties is disclosed in the notes. Fair value are determined by using circle rates of the concerned registration authority.

e Research and development cost:

Research Cost:

Revenue expenditure on research is expensed under the respective heads of account in the period in which it is incurred and is grouped as "Research and development expenses".

Development Cost:

Development expenditure on new product is capitalised as intangible asset, if technical and commercial feasibility as per Ind AS 38 is demonstrated, else charged to statement of profit and loss.

f Inventories:

Raw materials, Packing materials, Stores and Spares are valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Stock in process is valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Finished goods are valued at lower of cost and net realisable value. Cost for this purpose includes direct material, direct labor, other variable cost and manufacturing overhead based on normal operating capacity and depreciation.

Stock in Trade is valued at lower of cost and net realisable value.

Scrap is valued at estimated realisable value.

g Financial instruments:

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the company becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

h Financial assets:

Financial assets include Investments, trade receivables, cash and cash equivalents, derivative financial assets, loans and also the equity / debt instruments held. Initially all financial assets are recognised at amortised cost or fair value through Other Comprehensive Income or fair value through Statement of Profit or Loss, depending on its business model for those financial assets and their contractual cash flow characteristics. Subsequently, based on initial recognition/ classification, where assets are measured at fair value, gain and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

(i) **Investment in equity shares:**

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss for investments held for investment is recognized through Statement of profit and loss.

(ii) **Investment in associates, joint venture and subsidiaries:**

The Company's investment in subsidiaries and associates, joint venture are at carried at cost except where impairment loss recognised.

(iii) **Trade receivables:**

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost less credit loss/impairment allowances/ provision for doubtful debts.

(iv) **Cash and cash equivalents:**

- Cash and cash equivalents are financial assets. Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost.

- **Other Bank Balances:**

  Unclaimed / Unpaid dividend amount balance, deposit with bank as margin money for guarantees issued by bank, deposit kept as security deposit with statutory authorities are accounted as bank balance other than cash and cash equivalents.

- **Cash Flow Statement:**

  Cash Flows are reported using indirect method whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of company are segregated.

(v) **Loans & other financial assets:**

Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

i Impairment of Financial assets:

In accordance with Ind AS 109, the company uses expected credit loss (ECL) model for evaluating, measurement and 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.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 Company has applied IND AS 116 with effect from 1.4.2019. In accordance with IND AS 116, the Company recognises right of use assets representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before commencement date less any lease incentive received plus any initial direct cost incurred and an estimate of cost to be incurred by lessee in dismentling and removing underlying asset or restoring the underlying asset or site on which it is located. The right of use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment lossess, if any, and adjusted for any remeasurement of lease liability. The right of use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in statement of profit and loss. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liabilty, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised- in-substance fixed lease payments, the company recognises amount of remeasurement of lease liability due to modification as an adjustment to right of use assets and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right of use assets is reduced to zero and there is further reduction in measurement of lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Copmany has elected not to apply the requirements of IND AS 116 to short term leases of all assets that have a lease term of twelve month or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense over lease term.

s Taxes on income:

(i) **Current Tax:**

1. Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-Tax Act 1961 and based on the expected outcome of assessments/appeals.

2. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

   Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) **Deferred tax:**

1. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.

2. Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled.

3. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognised directly in equity.

t Provisions, Contingent liabilities, Contingent assets and Commitments:

(i) General:

The Company recognises provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive obligation as a result of past events and it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financing cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation:
- A present obligation arising from past events, when no reliable estimate is possible:
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent assets are not recognised but disclosed in financial statement when an inflow of economic benefits is probable.

Provisions, Contingent liabilities, Contingent assets and Commitments are reviewed at each balance sheet date.

(ii) Other Litigation claims:
Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

(iii) Onerous contracts:
Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

u Exceptional Items:

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

v Earnings per share:

Basic Earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

w Segment reporting:

The operating segment of the company is medical devices and the same have been evaluated on management approach as defined in Ind AS - 108 "Operating Segment". The company accordingly reports its financials under one segment namely "Medical Devices".

x Financial statement classification:

Certain line items on the balance sheet and in the statement of Profit and Loss have been combined. These items are disclosed separately in the Notes to the financial statements. Certain reclassifications have been made to the prior year presentation to conform to that of the current year. In general the company classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date.

y Fair value measurement:

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

z Significant Accounting Judgements, Estimates and Assumptions:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimation of uncertainty related to Global Health Pandemic from COVID-19

The Group has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertanties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company and based on estimates the company expects that the carrying amount of financial assets will be recovered and the company do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of these Consolidated Financial Statement.

i Income taxes:

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets / liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the stand alone financial statements.

ii 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 Lease:
The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to excercise that option and periods covered by an option to terminate the lease if the company is reasonably certain not to excercise that option. In excersing whether the company is reasonably certain to excercise an option to extend a lease or to excercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the company to excercise the option to extend the lease or to excercie the option to terminate the lease. The company revises lease term, if there is change in non-cancellable period of lease. The discount rate used is generally based on incremental borrowing rate.

v Depreciation/Amortisation and useful life of Property, Plant and Equipment:
The Company has estimated the useful life of Property, Plant and Equipment (PPE) as specified in schedule II of Companies Act. 2013. However, the actual useful life for individual PPE could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternatively, the equipment may continue to provide useful services well beyond the useful life assigned.

vi 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.

vii Provisions:
The company makes provision for leave encashment and gratuity based on report received from the independent actuary. These valuation reports uses complex valuation models using actuarial valuation. An actuarial valuation involves making various assumption that may differ from actual development in future.

viii Contingencies:
Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

ix **Impairment of Goodwill:** Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than the carrying amount, the impairment loss is accounted. For impairment loss, goodwill is allocated to CGU which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purpose. The recoverable amount of CGU is determined based on higher of value in use and fair value less cost to sell and value in use is present value of future cash flows expected to be derived from CGU.

Key assumption in the cash flow projection are prepared based on current economic conditions and comprises estimated long term growth rate, estimated operating margin. (Refer Note No 47)

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	31-03-2020						
	Carrying Value	Classification			Fair Value		
		FVPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	723.47	-	-	723.47	-	-	-
In Fixed Maturity Plans	222.99	222.99	-	-	-	222.99	-
In Liquid Mutual Funds	1,592.21	1,592.21	-	-	-	1,592.21	-
Trade receivables	12,711.71	-	-	12,711.71	-	-	-
Cash & cash equivalents	485.74	-	-	485.74	-	-	-
Other bank balances	2,049.78	-	-	2,049.78	-	-	-
Loans	13.71	-	-	13.71	-	-	-
Other financial assets	3,901.12	-	-	3,901.12	-	-	-
Total financial assets	**21,700.73**	**1,815.20**	**-**	**19,885.53**	**-**	**1,815.20**	**-**
Financial liabilities							
Borrowings	16,758.64	-	-	16,758.64	-	-	-
Trade payables	6,636.06	-	-	6,636.06	-	-	-
Lease Liabiliies	432.34	-	-	432.34	-	-	-
Other financial liabilities	5,601.57	227.61	-	5,373.96	-	227.61	-
Total financial liabilities	**29,428.61**	**227.61**	**-**	**29,201.00**	**-**	**227.61**	**-**

(₹ 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	**20,740.56**	**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**	**-**	**-**	**-**

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 2020	Year ended 31 March 2019
a	**Contingent liabilities not provided for:**		
	Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
	Demand from National Pharmaceutical Pricing Authority (Net)	76.88	76.88
b	**Obligations and commitments outstanding:**		
	Unexpired letters of credit ₹ 1,068.77 lacs (Previous year ₹ 743.67 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,107.96 lacs (Previous year ₹ 7,59.41 lacs) (Net of margins)	2,176.73	1,503.08
	Bills discounted but not matured	890.73	1,008.66
	Custom duty against import under EPCG Scheme	1,927.70	1,074.52
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	5,612.40	2,295.56

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.

The Geographical concentration of trade receivable (net of allowance) is as under:

(₹ in Lacs)

Particulars	At at 31 March 2020	As at 31 March 2019
India	3,272.03	3,928.60
Europe	3,398.72	2,684.95
USA	23.93	17.11
Others	6,017.03	6,207.60
	12,711.71	**12,838.26**

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 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
Change In loss allowance	(1.10)	0.74	20.42
Loss Allowance as on 31 March 2020	**8.68**	**30.58**	**97.50**

COVID-19: The Company do not envisage any financial difficulties resulting in additional credit risks higher than usual credit terms due to COVID-19 outbreak.

C) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in interest rate. The company's main interest rate risk arises from long term borrowings with variable rates (LIBOR plus) which exposes the company to cash flow interest rate risk.

i) Interest rate risk exposure - The exposure of the company's borrowing to interest rate changes at the end of reporting period is as follows:

(₹ in Lacs)

Particulars	At at 31 March 2020	As at 31 March 2019
Variable rate borrowing	11,792.74	5,401.09
Fixed rate borrowing	8,436.83	10,671.20
Total	**20,229.57**	**16,072.29**

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 2020	31 March 2019
Interest rate- increase by 50 basis point	58.96	27.01
Interest rate- decrease by 50 basis point	(58.96)	(27.01)

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 2020	As at 31 March 2019
The company has working capital funds which Includes		
Cash and cash equivalent	485.74	431.76
Current investments in liquid mutual funds	1,592.21	26.76]
Bank balances	2,049.78	5,027.60
Trade receivable	12,711.71	12,838.26
Total	**16,839.44**	**18,324.38**

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

(₹ in Lacs)

Particulars	At at 31 March 2020	As at 31 March 2019
Fixed		
Cash credit and other facilities	3,657.25	3,987.57
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 2020			
Trade payable	6,636.06	-	6,636.06
Other Financial liabilities	11,303.47	11,489.08	22,792.55
Total	**17,939.53**	**11,489.08**	**29,428.62**
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**

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 31-03-2020		As at 31-03-2019	
			FC	INR	FC	INR
Forward Contracts	Sell	USD:INR	69.27	5,233.51	54.03	3,736.31
		EURO:INR	12.06	1,005.14	6.00	466.01
		GBP:INR	9.07	851.04	-	-
	Buy	EURO:INR	-	-	0.39	30.60
		JPY:INR	285.42	199.79	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 31-03-2020		As at 31-03-2019	
		FC	INR	FC	INR
Receivable / (Payable)	USD:INR			21.78	1,506.05
	EURO:INR	(90.59)	(7,548.59)	(36.56)	(2,839.78)
	USD:INR			(18.49)	(1,278.79)
	EURO:INR			3.59	279.07
	GBP:INR	(2.39)	(223.79)	2.69	243.34
	CAD:INR	(0.05)	(2.41)	-	-
	LE.:INR	(9.44)	(45.46)	9.44	37.78
	SEK:INR	(1.51)	(11.53)	0.09	0.68
	JPY:INR	(639.31)	(449.83)	-	-
	AUD:INR	(0.01)	(0.35)	-	-
	SGD:INR	-	-	0.03	1.54

(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 31-03-2020	As at 31-03-2019
Not later than 3 months	Sell	USD:INR	870.68	1,385.21
		EURO:INR	213.59	-
		GBP:INR	165.25	-
	Buy	EURO:INR	-	30.60
		JPY:INR	199.79	45.57
Later than 3 months and not later than 6 months	Sell	USD:INR	2,023.46	1,210.13
		EURO:INR	499.92	155.34
		GBP:INR	258.01	-
Later than 6 month & not later than one year	Sell	USD:INR	2,339.36	1,140.98
		EURO:INR	291.62	310.68
		GBP:INR	427.79	-

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

(₹ in Lacs)

Particulars	For the year ended	
	31 March 2020	31 March 2019
Mark to market loss / (Gain) accounted for (Net)	334.68	(157.08)

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 2020	31 March 2019
Gross borrowings	20,229.57	16,072.29
Less: cash and cash equivalents	485.74	431.76
Adjusted net debt	19,743.84	15,640.53
Total Equity	43,482.38	38,137.02
Adjusted net debt to equity	45.41%	41.01%

The company's total owned funds of ₹ 43,482.38Lacs with ₹ 19,743.84 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 2020	31 March 2019
Dividend recognised in the financial statements		
Final dividend for year ended 31-Mar-19 of ₹ 2 per equity share (31-Mar-18 ₹ 2)	1,764.94	1,764.54
Interim dividend for year ended 31-Mar-20 of ₹ 2 per equity share.	1,764.94	
Dividend tax	725.58	362.71

38 The Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendment Rules 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified Ind AS 116 'Lease' which replaces existing lease Standard, Ind AS 17 leases and other Interpretations. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessee and lessor. It introduces a single lease accounting model for lessees.

The Company has adopted Ind AS 116 effective annual reporting period begnning April 1, 2019 and applied the Standard to its leases retrospectively with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to opening balance of retained earnings as on April 1, 2019.

On transition date i.e. April 1, 2019 the Company has recognised a lease liability measured at the present value of remaining lease payments. The right of use assets is recognised at its carrying amount as if the standard had been applied since the commencement of the lease but discounted using lessee's incremental borrowing rate.

Accordingly, right of use asset of Rs 402.22 lacs and a corresponding lease liability of Rs 524.97 lacs has been recognised. The cumulative effect on transition adjusted in retained earning as on April 1, 2019 amounted to Rs. 79.86 lacs (net of deferred tax of Rs. 42.89 lacs). The lease payments including interest have been disclosed under cash flow from financing activities. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in balance sheet at the date of initial application.

On application of IndAs 116, the nature of expense has changed from lease rent in previous periods to depreciation cost for right to use asset and finance cost for interest accured on lease liability.

The details of right of use asset held by the company is as follows:

The Following is break up of current and non-current lease liabilities as at 31st March 2020

(₹ in Lacs)

Particulars	**As at 31 March 2020**
Current lease liabilities	104.02
Non-Current lease liabilities	328.32
	432.34

The following is movement in lease liabilities during the year ended 31 March 2020

(₹ in Lacs)

Particulars	**As at 31 March 2020**
Balance at the beginning of the year 1st April,2019	524.97
Addition during the year	-
Finance cost accured during the year	43.49
Payment of lease liabilities (including interest)	136.12
Balance at the end of the year 31st March,2020	**432.34**

(₹ in Lacs)

Particulars	**Additions for the year ended 31st March 2020**	**Net Carrying amount as at 31st March 2020**
Building	-	309.40

Depreciation on right of use asset is Rs 92.82 lacs and Interest on lease liability for year ended 31 March 2020 is Rs 43.49 lacs

Lease Contracts entered by the company majorly pertains to building taken on lease to conduct the business activites in ordinary course.

Impact of Covid 19

The leases that the company has entered with lessors towards properties used as corporate office/ offices are long term in nature and no changes in terms of those leases are expected due to Covid-19

The Table below provides details regarding the contractual maturities of lease charges as at 31 March 2020 on an undiscounted basis:

(₹ in Lacs)

Particulars	Short term lease charges payable	Long term lease Charges payable	As at 31st March 2020
Less than one year	67.5	138.75	206.25
Up to five year	-	365.22	365.22
More than five year	-	-	-

The company do not forsee liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

Rental expense recorded for short term lease amounted to Rs.52.06 lacs and grouped as short term lease expense in Note No.32 " other expense"

39 RELATED PARTY DISCLOSURES:

Related party disclosures as required by Ind AS - 24 "Related Party Disclosures" are as under:

A List of related parties and relationships

a Associate

1 Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel & Relative

1 Mr. Himanshu Baid (Managing Director)

2 Mr. Rishi Baid (Joint Managing Director)

3 Mr. J. K. Oswal (CFO)

4 Mr. Avinash Chandra (Company Secretary)

5 Mr. Devendra Raj Mehta (Independent Director)

6 Mr. Prakash Chand Surana (Independent Director)

7 Mr. Shailendra Raj Mehta (Independent Director)

8 Dr. Sandeep Bhargava (Independent Director)

9 Mr. Alessandro Balboni (Additional Director)

10 Mr. J. K. Baid (Director- relative of Managing Director & Joint Managing Director)

11 Mr. Vishal Baid (President- relative of Managing Director & Joint Managing Director)

12 Mrs. Mukulika Baid (Director- relative of Managing Director & Joint Managing Director)

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

1 Vitromed Healthcare

2 Jai Polypan Pvt. Ltd.

3 Stilocraft

4 Polycure Martech Ltd.

B Transactions with related parties

(₹ in Lacs)

Particulars	Associate		Key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Sales of Goods	**801.54**	**869.99**			**1,141.07**	**1,642.80**
Ultra for Medical Products Egypt	801.54	869.99				
Vitromed Healthcare					1,141.07	1,642.80
Purchases of Goods	**-**	**-**			**11.30**	**-**
Ultra for Medical Products Egypt	-	-				
Vitromed Healthcare					11.30	-
Job work					**4,938.10**	**4,405.30**
Vitromed Health Care					4,938.10	4,405.30
Rent received					**0.20**	**0.20**
Virtomed Healthcare					0.20	0.20
Rent paid					**1.70**	**1.70**
Jai Polypan Pvt. Ltd.					1.70	1.70
Dividend/ Governing Council Share Received	**45.46**	**155.31**				
Ultra for Medical Products, Egypt	45.46	155.31				
Advance From Associates	**31.60**	**-**				
Ultra for Medical Products Egypt	31.60	-				
Directors / Key Managerial Personnels' Remuneration including commission			**1,251.53**	**937.54**		
Mr. Himanshu Baid			599.83	443.01		
Mr. Rishi Baid			583.82	432.69		
Mr. J. K. Oswal			57.48	52.72		
Mr. Avinash Chandra			10.40	9.12		
Defined benefit obligations			**43.27**	**15.20**		
Mr. Himanshu Baid			23.26	6.81		
Mr. Rishi Baid			18.76	7.78		
Mr. J. K. Oswal			1.07	0.54		
Mr. Avinash Chandra			0.18	0.07		
Share based payment			**0.33**	**0.93**		
Mr. J. K. Oswal			0.33	0.93		
Salary and perquisites			**106.48**	**53.04**		
Mr. Vishal Baid			106.48	53.04		
Commission and Sitting fees			**73.25**	**60.25**		
Mr. J. K. Baid			11.75	9.75		
Mrs. Mukulika Baid			11.75	9.75		
Mr. Devendra Raj Mehta			13.25	11.00		
Mr. Prakash Chand Surana			12.50	9.25		
Mr. Shailendra Raj Mehta			12.00	10.75		
Dr. Sandeep Bhargava			12.00	9.75		
Management Fee			**209.31**	**141.84**		
Mr. Alessandro Balboni			209.31	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	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Dividend / Share Governing Council outstanding	**45.46**	**37.78**				
Ultra for Medical Devices	45.46	37.78				
Directors' Remuneration / Salary payable			**331.90**	**399.70**		
Mr. Himanshu Baid			161.23	196.19		
Mr. Rishi Baid			162.70	197.68		
Mr. Vishal Baid			4.33	2.43		
Mr. J. K. Oswal			3.10	2.84		
Mr. Avinash Chandra			0.54	0.56		
Commission Payable			**48.60**	**40.50**		
Mr. J. K. Baid			8.10	6.75		
Mrs. Mukulika Baid			8.10	6.75		
Mr. Devendra Raj Mehta			8.10	6.75		
Mr. Prakash Chand Surana			8.10	6.75		
Mr. Shailendra Raj Mehta			8.10	6.75		
Dr. Sandeep Bhargava			8.10	6.75		
Management Fee & Other Payable			**13.99**	**16.71**		
Mr. Alessandro Balboni			13.99	16.71		
Trade Receivable	**495.29**	**623.61**			**26.96**	**71.05**
Virtomed Healthcare					26.96	71.05
Ultra for Medical Products	495.29	623.61			-	-
Trade Payable / Payable for capital goods	**-**	**-**			**406.30**	**420.06**
Virtomed Healthcare					406.30	420.06
Ultra for Medical Products	-	-				
Advance from customer	**31.60**	**-**				
Ultra for Medical Products	31.60	-				

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Net profit after tax available for equity share holders (₹ In lacs)	9,587.79	6,539.91
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	8,82,46,980	8,82,36,930
Basic Earnings per Share (in ₹)	10.86	7.41
Diluted Earnings per Share		
Weighted Average no. shares outstanding during the year	8,82,46,980	8,82,36,930
Effect of dilutive issue of stock options	34,378	10,050
Weighted Average no. shares outstanding for diluted EPS	8,82,81,358	8,82,46,980
Diluted Earnings per Share (in ₹)	10.86	7.41

41 EMPLOYEE BENEFIT:

As per Ind AS - 19 "Employee Benefits", the disclosures are as under:

I Defined Contribution Plan - Provident Fund

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

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	**31 March 2019**
Employers' contribution to provident fund * #	583.46	407.42

* incuded in "contribution to provident fund and others" under employee benefit expenses (refer note no. 28)
# excluding contribution to provident fund transferred to Research and Development Expenses ₹ 12.56 lacs (PY ₹ 8.37 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 2020	**31 March 2019**
Obligations at year beginning	**321.58**	**268.28**
Service Cost - Current	50.93	50.89
Service Cost - Past	-	-
Interest expenses	24.60	20.47
Acturial (gain) / Loss on PBO	(38.98)	(3.70)
Benefit payments	(24.91)	(14.36)
Addition due to transfer of employee	-	-
Obligations at year end	**333.23**	**321.58**

(ii) Change in plan assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	**31 March 2019**
Fair value of plan assets at the beginning of the period	157.55	137.22
Actual return on plan assets	12.16	10.50
Less- FMC Charges	(0.90)	(0.81)
Employer contribution	18.00	25.00
Benefits paid	(24.91)	(14.36)
Fair value of plan assets at the end of the period	161.91	157.55

(iii) Assets and Liabilities recognized in the Balance Sheet

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	**31 March 2019**
Present Value of the defined benefit obligations	333.23	321.58
Fair value of the plan assets	161.91	157.55
Amount recognized as Liability	171.32	164.03

(iv) Defined benefit obligations cost for the year:

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	**31 March 2019**
Service Cost - Current	50.93	50.89
Service Cost - Past	-	-
Interest Cost	12.55	10.00
Expected return on plan assets	-	-
Actuarial (gain) loss	-	-
Net defined benefit obligations cost	63.48	60.89

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	**31 March 2019**
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	38.98	3.70
Actuarial gain /(loss) for the year on Asset	(0.79)	(0.79)
Unrecognized actuarial gain/(loss) for the year	**38.19**	**2.91**

(vi) Investment details of Plan Assets

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	**31 March 2019**
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 2020	**31 March 2019**
Discount Rate per annum	6.92%	7.65%
Future salary increases	4.00%	5.50%s

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 2020	**31 March 2019**
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**				
	31-03-2020	**31-03-2019**	**31-03-2018**	**31-03-2017**	**31-03-2016**
Defined benefit obligations	333.23	321.58	268.28	260.83	194.65
Plan assets	(161.91)	(157.55)	(137.22)	(5.00)	-
Deficit /(Surplus)	**171.32**	**164.03**	**131.06**	**255.83**	**194.65**

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

(₹ in Lacs)

Particulars	**Year ended**	
	31 March 2020	**31 March 2019**
Service Cost	65.87	64.39
Net Interest Cost	11.86	12.55
Expected contribution for next annual reporting perod	77.73	76.94

(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**		
	31-03-2020	**31-03-2019**	**Impact**	**31-03-2020**	**31-03-2019**	**Impact**	**31-03-2020**	**31-03-2019**
Discount Rate per annum	0.50%	0.50%	Decrease by	(20.65)	(20.50)	Increase by	22.75	22.60
Future salary increases	0.50%	0.50%	Increase by	21.85	22.97	Decrease by	(19.91)	(21.00)

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	23.92
B	1 to 2 Year	5.16
C	2 to 3 Year	7.00
D	3 to 4 Year	5.53
E	4 to 5 Year	7.13
F	5 to 6 Year	7.13
G	6 Year onwards	275.14

(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 ₹ 161.72 lacs form part of long term provision ₹ 143.67 Lacs (PY ₹ 106.06 Lacs) and short term provision ₹ 18.05 Lacs (PY ₹ 12.65 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

42 Borrowing cost of ₹ 5.97 lacs (Previous Year ₹ Nil) have been included in capital work in progress.

43 SEGMENT INFORMATION:

Description of segment and principal activity.

The company is primarily in the business of manufacture and sale of medical devices. Operating segments are reported in the manner consistent with internal reporting to Managing director of the company. The company has regular review procedures in place and Managing director reviews the operations of the company as a whole, Hence there are no reportable segments as per Ind AS 108 Operating segment.

Information about Geographical areas

The following information discloses revenue from customers based on geographical areas.

i) Revenue on product group wise (Ind AS 108, Para 32)

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Medical Devices	66,926.17	59,100.89
	66,926.17	**59,100.89**

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

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
With in India	18,683.89	16,397.89
Outside India	48,242.28	42,703.00
	66,926.17	**59,100.89**

iii) None of the non-current assets of standalone company (other than financial instruments, investment in associates) are located outside India. The non-current assets of foreign subsidiaries (other than financial instruments, goodwill and investment) located outside India are as under:

Country where assets are located

(₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
China	488.29	487.50
Netherlands	0.97	1.14
Italy	198.02	162.33
	687.29	**650.97**

iv) None of the customers of the Group individually account for 10% or more sale.

44 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of expenditure incurred on CSR are as under:

(₹ in Lacs)

S. No.	Particulars	Year ended	
		31 March 2020	31 March 2019
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	174.71	160.09
b	Amount spent during the year on :		
	i Construction / acquisition of any assets	-	-
	ii On purposes other than (i) above	237.72	153.84
c	Unspent amount in CSR	-	6.26
d	The breakup of expenses included in amount spent are as under:		
	Particulars		
	Animal protection	0.50	-
	On food relief activity	1.00	-
	On promoting education	43.31	17.55
	Social welfare	0.78	-
	On promotion of Healthcare	3.00	7.30
	Promoting gender equality & empower women	1.02	-
	Contribution to CSR Eligible Trust,Foundation & Society	188.10	128.99
	Total	**237.72**	**153.84**

45 SHARE BASED PAYMENTS:

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

- The vesting period is as under:

- On completion of 24 months from the date of grant of Options - 50%

- On completion of 30 months from the date of grant of Options- 50%

- The exercise price of the option is ₹ 50 each, which are to be paid by the employees to the Company on the exercise of the options.

The exercise period commences from the date of vesting of the options and expires at the end of 3 months from the date of such vesting or such extended period. Out of total 20,100 Equity Shares vested during 2018-19, 10,050 Equity Shares of Rs.5 each was excercised during 2018-19 and balance 10,050 equity shares in 2019-20.

The company has also formulated "Poly Medicure Employee Stock Option Scheme, 2016 (ESOS 2016)" duly approved by the share holders in the annual general meeting held on 27th Sep 2016,in accordanace of which the ESOP Commitee of Board of Directors of the company held on 27th Sep. 2016 has granted 42950 equity shares to eligible employee on the following terms & Conditions:

All option granted under this scheme shall, upon vesting, be exercised with in a period of three months from the date of vesting,failing which the option shall lapse, or such other date as decided by the compensation committee.

Provided, however that in case of cessation of employement,the vested option shall lapse/ be exercised in accordance with the provisions of article 12 of this scheme.

The vesting period for the conversion of options are as follows:

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

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

a Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOS 2015)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value at Grant
(Year of Grant)				
2016-17	23500	2018-19	50	296

b Details of employees stock options granted under Poly Medicure Employee Stock Option Scheme, (ESOS 2016)

Financial Year	Number	Financial year of vesting	Exercise price	Fair value at Grant
(Year of Grant)				
2019-20	42950	2021-22 2022-23	50	147

c Movement of share options during the year

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of share options	Exercise Price	Number of share options	Exercise Price
Balance at the beginning of the year	10,050	50	20,550	50
Granted during the year (ESOS 2016)	42,950	50	-	-
Forfeited during the year (ESOS 2016)	1,400	-	450	50
Exercised during the year (ESOS 2015)	10,050	50	10,050	-
Expired / Lapsed during the year	-	-	-	-
Balance Options to be be exercised at the end of the year	41,550	50	10,050	50

d Compensation expenses arising on account of share based payments (₹ in Lacs)

Particulars	Year ended	
	31 March 2020	31 March 2019
Share based payment expenses to employees	13.89	18.69
Total	**13.89**	**18.69**

e Fair value on grant date

The fair value on grant date is determined using Black Scholes Model which takes into account exercise price, terms of option, share price at grant date and expected price volatility of the underline shares, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted

Particulars	ESOS 2015	ESOS 2016
a Exercise price	50	50
b Grant date	2nd June 2016	3rd June 2019
c Vesting year	2018-19	2021-22 2022-23
d Share price at grant date	350	195
e Expected price volatility of the company share	20% to 25%	20% to 25%
f Expected dividend yield	1.18%	0.86%
g Risk free interest rate	6.50%	6.92%

The expected price volatility is based on the historic volatility.

46. Additional Information Pursuant to Schedule III of The Companies Act 2013:

Name of the entity	Net Assets		Share in profit (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount
Subsidiary Companies				
Poly Medicure (Laiyang) Co. Ltd, China	**0.88%**	**380.67**	**0.70%**	**66.80**
Polymed BV, Netherlands, (Consolidated)	**7.89%**	**3,429.00**	**1.03%**	**98.80**
Plan 1 Health India Pvt Ltd.	**0.00%**	**0.67**	**0.00%**	**(0.33)**
Associate Company				
Ultra for Medical Products, Egypt	**-**	**-**	**2.23%**	**214.07**

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

47. During the previous year ended 31st March 2019, the company had invested a sum of Rs. 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 Rs.3348.36 lacs in Plan 1 Health Italy, where by Plan1 Health became step subsidiary of the company. The consolidated financial statement of Poly Medicure BV have been consolidated in the consolidated financial statements. Goodwill amounting to Rs.2858.11 Lacs have been created on consolidation. Goodwill of Rs 2858.11 Lacs has been (CGU) allocated to Plan 1 Health Italy business only. The estimated value in use of this CGU is based on future cash flows using a 20 % weighted annual growth rate for forecast periods of 5 years and discount rate of 9 % .An analysis of the sensitivity of the computation to a change in key parameters (i.e. operating margin discount rate and long term average growth rate) based on reasonable assumption did not identify any probable scenario in which the recoverable amount of the CGU would decrease its carrying amount, accordingly, no impairment in value of goodwill on consolidation have been made.

As per Dutch GAAP (applicable to Polymedicure BV Netherlands) goodwill is measured at cost less accumulated amortisation and is amortised over useful life of 20 years whereas as per Ind AS, Goodwill is tested for impairment and not amortised. Suitable adjustment has been made in consolidated financial statements in this regard to follow uniform accounting policies applicable under Ind AS.

48. Standards issued and amended but not effective

The Ministry of Corporate Affairs (MCA) notifies new Indian Accounting Standards or amendments thereto. There is no such notification which would have been made applicable from Ist April,2020.

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

As per our report of even date annexed
For M C BHANDARI & Co. (Reg no.303002E)
Chartered Accountants
Rabindra Bhandari
Partner
Membership No. 097466

Place : New Delhi
Date : 05.06.2020

For and on behalf of the Board of Directors

Himanshu Baid	Rishi Baid
Managing Director	Joint Managing Director
DIN: 00014008	DIN: 00048585
J.K.Oswal	Avinash Chandra
CFO	Company Secretary

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries

(₹ in Lacs)

1.	Sl. No.	1	2	3
2.	Name of the subsidiary	Poly Medicure (Laiyang) Co. Ltd., China	US Safety Syringes Co. LLC, USA	Plan1 Health India Pvt. Ltd.
		Audited	Management Certified	Audited
3	Reporting period for the subsidiary concerned	31st March 2020	31st March 2020	31st March 2020
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	CNY	EURO	Rupee
		1 CNY=10.6386 INR	1 EURO=83.324 INR	
5	Share capital	830.84	976.51	1.00
6	Reserves & surplus	(450.17)	2,452.49	-0.32
7	Total assets	1,173.62	4,868.58	1.00
8	Total Liabilities	792.95	1,439.58	0.32
9	Investments	-	-	-
10	Turnover	1,381.66	2,845.79	-
11	Other Income	5.72	12.08	-
12	Profit (Loss) before taxation	66.80	143.29	-0.32
13	Provision for taxation	-	44.49	0
14	Profit (Loss) after taxation	66.80	98.80	(0.32)
15	Proposed Dividend	-	-	-
16	% of shareholding	100%	100%	100%

Part "B": Associates

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

(₹ in Lacs)

Name of Associates	Ultra For Medical Products Company (UMIC), Egypt
Latest audited Balance Sheet Date	31st December 2019
Shares of Associate held by the company on the year end	
No.	96,600
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	744.28
Profit for the year	
Considered in Consolidation	214.07
Not Considered in Consolidation	734.62

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

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 asfollows:

(₹ 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:

<u>Research Cost:</u>
Revenue expenditure on research is expensed under the respective heads of account in the period in which it is incurred and is grouped as "Research and development expenses".

<u>Development Cost:</u>
Development expenditure on new product is capitalised as intangible asset, if technical and commercial feasibility as per Ind AS 38 is demonstrated, else charged to statement of profit and loss.

f Inventories:

Raw materials, Packing materials, Stores and Spares are valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Stock in process is valued at lower of cost (on weighted moving average cost basis) and net realisable value.

Finished goods are valued at lower of cost and net realisable value. Cost for this purpose includes direct material, direct labor, other variable cost and manufacturing overhead based on normal operating capacity and depreciation.

Stock in Trade is valued at lower of cost and net realisable value

Scrap is valued at estimated realisable value.

g Financial instruments:

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the company becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

h Financial assets:

Financial assets include Investments, trade receivables, cash and cash equivalents, derivative financial assets, loans and also the equity / debt instruments held. Initially all financial assets are recognised at amortised cost or fair value through Other Comprehensive Income or fair value through Statement of Profit or Loss, depending on its business model for those financial assets and their contractual cash flow characteristics. Subsequently, based on initial recognition/ classification, where assets are measured at fair value, gain and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

(i) Investment in equity shares:
Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss for investments held for investment is recognized through Statement of profit and loss.

(ii) Investment in associates, joint venture and subsidiaries:
The Company's investment in subsidiaries and associates, joint venture are at carried at cost except where impairment loss recognised.

(iii) Trade receivables:
Trade receivables are recognised initially at fair value and subsequently measured at amortized cost less credit loss/impairment allowances/ provision for doubtful debts.

(iv) Cash and cash equivalents:

- Cash and cash equivalents are financial assets. Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost.

- Other Bank Balances:
  Unclaimed / Unpaid dividend amount balance, deposit with bank as margin money for guarantees issued by bank, deposit kept as security deposit with statutory authorities are accounted as bank balance other than cash and cash equivalents.

- Cash Flow Statement:
  Cash Flows are reported using indirect method whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of company are segregated.

(v) Loans & other financial assets:
Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

i Impairment of Financial assets:
In accordance with Ind AS 109, the company uses expected credit loss (ECL) model for evaluating, measurement and 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) <u>Short term employee Benefit:</u>
All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) <u>Defined Contribution Plan:</u>
Contributions to the Employees' Provident Fund and Employee's State Insurance are recognized as Defined Contribution Plan and charged as expenses in the year in which the employees render the services.

iii) <u>Defined Benefit Plan:</u>
The Leave Encashment (Unfunded) and Gratuity (Funded) are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past Service cost is recognised in the statement of profit and loss in the period of plan amendment. Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligations under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, gains and losses on curtailments and non-routine Settlements.
- Net interest income or expense.

iv) <u>Long term Employees Benefits:</u>
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 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.

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
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

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

For and on behalf of the Board of Directors

M. S. Agarwal
Partner
Membership No. 86580

Himanshu Baid
Managing Director
DIN: 00014008

Rishi Baid
Executive Director
DIN: 00048585

Place : New Delhi
Date : 10.05.2019

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

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

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 asfollows:

(₹ 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

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

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

Independent Auditors' Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

To the Members of Poly Medicure Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Poly Medicure Limited ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss (including other comprehensive income), the cash flow statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its profit (including other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

Other Matters

The Financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 01st April 2016 included in the Standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March 2017 and 31st March 2016 prepared in accordance with the

Companies (Accounting Standard) Rules 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 10th May 2017 and 13th May 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated 10th May 2018.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub- section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:

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

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The balance sheet, the statement of profit and loss (including other Comprehensive income) the cash flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

   I. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34 to the standalone Ind AS financial statements;

   II. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(M S Agarwal)
Partner
Membership number: 086580

Place: New Delhi
Date: 10th May 2018

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2018, 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, sales tax, service tax, duty of customs, duty of excise, value added tax, 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, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods & Service Tax (GST) and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, or sales tax, or service tax, or duty of custom, or duty of excise, or value added tax, cess or Goods & Service Tax (GST) which have not been deposited with the appropriate authorities on account of any dispute except following:

Nature of Statute	**Nature of Dues**	**Amount (₹ In Lacs)**	**Period to which amount relates**	**Forumwhere 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 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 2018

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Poly Medicure Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal financial Controls over financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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 2018

Poly Medicure Limited

Standalone Balance Sheet as at March 31, 2018

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2018	March 31, 2017	April 01, 2016
ASSETS				
1 **Non-current assets**				
(a) Property, plant and equipment	2	**24,293.76**	18,820.97	17,009.93
(b) Capital work-in-progress		**966.39**	1,176.96	287.27
(c) Investment Properties	3	**348.98**	64.01	65.24
(d) Intangible assets	2	**1,315.03**	1,228.15	671.88
(e) Intangible assets under development		**858.15**	822.69	1,084.50
(f) Financial Assets				
(i) Investment in subsidiaries/associates	4	**561.06**	561.06	561.06
(ii) Other Investments	5	**209.02**	-	-
(iii) Loans	6	**-**	1.00	-
(iv) Other financial assets	7	**672.66**	545.00	322.54
(g) Other non-current assets	8	**1,257.39**	1,657.89	1,188.51
Total non-current assets		**30,482.44**	**24,877.73**	**21,190.93**
2 **Current assets**				
(a) Inventories	9	**6,855.09**	5,790.84	4,058.25
(b) Financial assets				
(i) Investments	5	**1,061.81**	-	-
(ii) Trade receivables	10	**11,189.36**	9,525.32	8,073.02
(iii) Cash and cash equivalents	11	**367.90**	76.87	70.34
(iv) Bank balances other than (iii) above	12	**1,668.60**	2,161.42	2,194.08
(v) Loans	6	**15.76**	12.42	181.72
(vi) Other financial assets	7	**114.73**	408.07	303.87
(c) Other current assets	8	**3,707.66**	2,033.34	1,543.11
Total current assets		**24,980.91**	**20,008.28**	**16,424.39**
TOTAL ASSETS		**55,463.35**	**44,886.01**	**37,615.32**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	13	**4,411.34**	4,411.34	2,205.67
(b) Other equity	14	**29,039.90**	22,506.33	20,409.14
Total equity		**33,451.24**	**26,917.67**	**22,614.81**

(₹ in Lacs)

Particulars	Note No.	As at		
		March 31, 2018	March 31, 2017	April 01, 2016
LIABILITIES				
1 **Non-current liabilities**				
(a) Financial liabilities				
(i) Borrowings	15	**7,911.58**	4,762.47	3,096.27
(ii) Other financial liabilities	16	**497.55**	527.25	416.58
(b) Provisions	17	**210.24**	332.58	256.51
(c) Government Grants		**203.47**	54.65	27.12
(d) Deferred tax liabilities (Net)	18	**1,572.01**	1,478.71	1,186.83
Total non-current liabilities		**10,394.85**	**7,155.66**	**4,983.31**
2 **Current liabilities**				
(a) Financial liabilities				
(i) Borrowings	19	**2,673.22**	2,849.66	3,039.38
(ii) Trade payables	20	**4,320.56**	4,098.18	2,957.51
(iii) Other financial liabilities	21	**3,784.60**	3,407.16	3,161.78
(b) Other current liabilities	22	**805.99**	419.41	620.92
(c) Provisions	17	**32.89**	34.78	27.37
(d) Current tax liabilities (net)		**-**	3.49	210.24
Total current liabilities		**11,617.26**	**10,812.68**	**10,017.20**
TOTAL EQUITY AND LIABILITIES		**55,463.35**	**44,886.01**	**37,615.32**
Significant accounting policies	a - ab			
The accompanying notes are integral part of the standalone Ind AS financial statements	1 - 46			

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 : 10.05.2018

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

Standalone Statement of Profit & Loss for the year ended March 31, 2018

(₹ in Lacs)

Particulars	**Note No.**	**Year ended March 31, 2018**	**Year ended March 31, 2017**
INCOME			
Revenue from operations	23	**50,969.93**	44,635.32
Other income	24	**1,436.95**	1,335.46
Total Income		**52,406.88**	**45,970.78**
EXPENSES			
Cost of materials consumed	25	**16,713.93**	14,500.24
Purchases of Stock-in-Trade		**437.26**	568.46
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	**(994.03)**	(426.62)
Excise duty on sale of goods		**126.10**	685.47
Employee benefits expenses	27	**9,392.66**	8,139.33
Research and development expenses	28	**1,004.78**	903.38
Finance cost	29	**949.51**	649.38
Depreciation and amortisation expenses	30	**2,840.66**	2,295.51
Other expenses	31	**12,300.42**	11,029.34
Total Expenses		**42,771.29**	**38,344.49**
Profit before tax		**9,635.59**	**7,626.29**
Tax expenses			
Current tax		**2,536.55**	1,760.00
Deferred tax		**79.21**	298.92
Tax adjustments for earlier years (net)		**-**	(52.56)
Total tax expenses	32	**2,615.76**	**2,006.36**
Profit for the year		**7,019.83**	**5,619.93**

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Acturial gains/(losses) of defined benefit plan		**40.77**	(20.37)
Tax impacts on above		**(14.11)**	7.05
Other comprehensive income for the year (net of tax)		**26.66**	(13.32)
Total comprehensive income for the year		**7,046.49**	**5,606.61**
Earnings per equity share: (Face value ₹ 5 each) in rupees	38		
Basic		**7.96**	6.37
Diluted		**7.95**	6.37
Significant accounting policies	a - ab		
The accompanying Notes are integral part of the standalone Ind AS Financial Statements	1 - 46		

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 : 10.05.2018

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

Standalone Statement of Cash flow for the year ended 31 March 2018 (₹ in Lacs)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax and exceptional items	**9,635.59**	7,626.29
	Adjusted for:		
	Depreciation and amortisation	**2,840.66**	2,295.51
	Interest expense	**949.51**	649.38
	Interest income	**(202.14)**	(188.40)
	Loss/(profit) on sale of fixed assets, net	**(4.12)**	(122.03)
	Debts/advances written off	**0.68**	14.59
	Provision for doubtful debts and advances	**85.36**	-
	Credit balances no longer required, written back	**(6.19)**	(110.15)
	Deferred employee compensation expenses (net)	**18.01**	23.60
	Unrealised foreign exchange (gain) /loss	**(135.12)**	(86.74)
	Other Comprehensive Income	**40.77**	(20.37)
	Ind As Adjustment for Unrealised Gain on Mutual Fund	**(43.39)**	-
	Ind As Adjustment on Govt. Grant & Subsidy	**(53.95)**	(22.74)
	Ind As Adjustment for Interest Income on Financial Assets	**(2.95)**	2.99
	Ind As Adjustment for Foreign Currency Monetary Translation Reserve Account	**-**	(54.79)
	Ind As Adjustment on Forward Contracts (Net)	**282.44**	(195.76)
	Ind As Adjustment for Deferred Processing fees	**5.71**	3.63
	Operating profit before working capital changes	**13,410.87**	**9,815.01**
	Movement in working capital		
	Decrease/(increase) in inventories	**(1,064.26)**	(1,930.60)
	Decrease/ (increase) in sundry debtors	**(1,476.66)**	(1,512.49)
	Decrease/(Increase) in financial assets	**(22.23)**	22.62
	Decrease/(Increase) in other assets	**(1,674.72)**	(317.49)
	Increase/ (decrease) in trade payables	**211.62**	1,274.29
	Increase/ (decrease) in other financial liabilities	**227.29**	90.77
	Increase/ (decrease) in other liabilities	**372.81**	(202.65)
	Increase/ (decrease) in provisions	**(124.25)**	83.51
	Cash generated from operations	**9,860.47**	**7,322.97**
	Direct taxes paid (net of refunds)	**(2,313.53)**	(1,821.23)
	Net cash from operating activities	**7,546.94**	**5,501.74**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	**(8,149.60)**	(5,735.29)
	Purchase of Investments	**(1,227.44)**	-
	Proceeds from / (Investment in) Fixed Deposits (net)	**398.02**	(188.65)
	Proceeds from sale of fixed assets	**24.56**	252.94
	Interest income	**250.36**	253.19
	Net cash used for investing activities	**(8,704.10)**	**(5,417.81)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings / deferred payment liabilities (net)	**2,922.94**	1,921.04
	Dividend and tax thereon Paid	**(530.93)**	(1,327.35)
	Interest / Finance charges paid	**(943.82)**	(671.09)
	Net cash from (used for) financing activities	**1,448.19**	**(77.40)**

(₹ in Lacs)

Net increase in cash and cash equivalents (A+B+C)	**291.03**	6.53
Cash and cash equivalents at the beginning of the year	**76.87**	70.34
Cash and cash equivalents at the end of the year	**367.90**	76.87
COMPONENTS OF CASH AND CASH EQUIVALENT		
Balances with Banks in current account	**302.31**	67.95
Cheques, drafts on hand	**3.54**	-
Cash on hand (including foreign currency notes)	**10.47**	8.78
Fixed deposits with banks, having original maturity of three months or less	**51.58**	0.14
Cash and cash equivalents at the end of the year	**367.90**	**76.87**

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents at the end of the year as per above	**367.90**	76.87
Add: Balance with banks in dividend / unclaimed dividend accounts	**14.56**	15.74
Add: Fixed deposits with banks, having maturity period for less than twelve months	**1,654.04**	2,145.68
Add: Fixed deposits with banks (lien marked)	**391.17**	367.85
Add: Fixed deposits with banks, having maturity period for more than twelve months	**124.01**	52.53
Cash and bank balance as per balance sheet (refer note 7, 11 and 12)	**2,551.68**	**2,658.67**

DISCLOSURE AS REQUIRED BY IND AS 7

Reconciliation of liabilities arising from financing activities

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**	**(200.72)**	**12,735.95**

March 31, 2017	**Opening Balance**	**Cash flow**	**Non Cash Flow Changes**	**Closing Balance**
Short term secured borrowing	**4,833.79**	73.79	(23.48)	**4,931.06**
Long term secured borrowing	**3,096.27**	1,847.25	181.05	**4,762.47**
Total liabilities from financing activities	**7,930.06**	**1,921.04**	**157.57**	**9,693.53**

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

Place : New Delhi
Date : 10.05.2018

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

Standalone Statement of Changes in Equity for the year ended 31st March 2018

A. Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
At the beginning of the year	4,411.34	2,205.67	2,205.67
Changes in equity share capital during the year	-	2,205.67	-
At the end of the year	**4,411.34**	**4,411.34**	**2,205.67**

(₹ in Lacs)

B. Other equity

Particulars	Reserves and surplus					Other comprehensive income	Total
	Capital Reserve	Securities Premium Reserve Account	Share Based Payment Reserve Account	General Reserve	Retained Earnings	Re-measurement of defined benefit	
Balance as at 1 April 2016	**46.98**	**83.60**	-	**10,756.90**	**9,521.66**	-	**20,409.14**
Profit for the year					5,619.93		
Other comprehensive income (net of taxes)						(13.32)	
Amount utilised for bonus shares		(83.60)		(2,122.07)			
Transaction with owners in their capacity as owners							
Transfer from retained earnings to General reserve				2,500.00	(2,500.00)		
Addition on account of employees stock option granted			23.60				
Final Dividend / Dividend tax adjusted					(265.47)		
Interim dividend and tax thereon, declared and paid during the year					(1,061.88)		
Balance as at 31 March 2017	**46.98**	**-**	**23.60**	**11,134.83**	**11,314.24**	**(13.32)**	**22,506.33**
Profit for the year					**7,019.83**		
Other comprehensive income (net of taxes)						**26.66**	
Transaction with owners in their capacity as owners							
Transfer from retained earnings to General Reserve				**2,500.00**	**(2,500.00)**		
Addition on account of employees stock option granted			**18.01**				
Final dividend and tax thereon, declared and paid during the year					**(530.93)**		
Balance as at 31 March 2018	**46.98**	**-**	**41.61**	**13,634.83**	**15,303.14**	**13.34**	**29,039.90**

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

Disclosures as Required by Indian Accounting Standard (Ind AS) 101 first Time Adoption of Indian Accounting Standards

Reconciliation of standalone equity as at March 31,2017

(₹ in Lacs)

Particulars	Ref. Note No.	As per Indian GAAP	Adjustments	As per Ind AS
ASSETS				
1 **Non-current assets**				
(a) Property, plant and equipment	1, 13, 14	18,809.08	11.89	18,820.97
(b) Capital work-in-progress	1	978.94	198.02	1,176.96
(c) Investment Property	13	-	64.01	64.01
(d) Intangible assets		1,228.15	-	1,228.15
(e) Intangible assets under development		822.69	-	822.69
(f) Financial Assets				
(i) Investment in subsidiaries/associates		561.06	-	561.06
(ii) Other Investments		-	-	-
(iii) Loans		1.00	-	1.00
(iv) Other financial assets	9	565.24	(20.24)	545.00
(g) Other non-current assets	9	1,638.42	19.47	1,657.89
Total non-current assets		**24,604.58**	**273.15**	**24,877.73**
2 **Current assets**				
(a) Inventories	1	5,988.86	(198.02)	5,790.84
(b) Financial assets				
(i) Trade receivables		9,525.32	-	9,525.32
(ii) Cash and cash equivalents		76.87	-	76.87
(iii) Bank balances other than (ii) above		2,161.42	-	2,161.42
(iv) Loans		12.42	-	12.42
(v) Other current financial assets	10	248.01	160.06	408.07
(c) Other current assets		2,033.34	-	2,033.34
Total current assets		**20,046.24**	**(37.96)**	**20,008.28**
TOTAL ASSETS		**44,650.82**	**235.19**	**44,886.01**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		4,411.34	-	4,411.34
(b) Other equity		21,793.56	712.77	22,506.33
Total equity		**26,204.90**	**712.77**	**26,917.67**
LIABILITIES				
1 **Non-current liabilities**				
(a) Financial liabilities				
(i) Borrowings	8	4,768.85	(6.38)	4,762.47
(ii) Other financial liabilities		527.25	-	527.25
(b) Provisions		332.58	-	332.58
(c) Government Grants	14	-	54.65	54.65
(d) Deferred tax liabilities (Net)	11	1,473.63	5.08	1,478.71
Total non-current liabilities		**7,102.31**	**53.35**	**7,155.66**
2 **Current liabilities**				
(a) Financial liabilities				
(i) Borrowings		2,849.66	-	2,849.66
(ii) Trade payables		4,098.18	-	4,098.18
(iii) Other financial liabilities		3,407.16	-	3,407.16
(b) Other current liabilities		419.41	-	419.41
(c) Provisions	3	565.71	(530.93)	34.78
(d) Current tax liabilities (net)		3.49	-	3.49
Total current liabilities		**11,343.61**	**(530.93)**	**10,812.68**
TOTAL EQUITY AND LIABILITIES		**44,650.82**	**235.19**	**44,886.01**

Disclosures as required by Indian Accounting Standard (IND AS) 101 first Time Adoption of Indian Accounting Standards

Reconciliation of standalone equity as at March 31,2016 **(₹ in Lacs)**

Particulars	Ref. Note No.	As per Indian GAAP	Adjustments	As per Ind AS
ASSETS				
1 **Non-current assets**				
(a) Property, plant and equipment	1, 13, 14	17,053.12	(43.19)	17,009.93
(b) Capital work-in-progress		287.27	-	287.27
(c) Investment Property	13	-	65.24	65.24
(d) Intangible assets		671.88	-	671.88
(e) Intangible assets under development		1,084.50	-	1,084.50
(f) Financial Assets				
(i) Investment in subsidiaries/associates		561.06	-	561.06
(ii) Investments		-	-	-
(iii) Loans		-	-	-
(iv) Other financial assets	9	345.01	(22.47)	322.54
(g) Other non-current assets	9	1,166.04	22.47	1,188.51
Total non-current assets		**21,168.88**	**22.05**	**21,190.93**
2 **Current assets**				
(a) Inventories		4,058.25	-	4,058.25
(b) Financial assets				
(i) Trade receivables		8,073.02	-	8,073.02
(ii) Cash and cash equivalents		70.34	-	70.34
(iii) Bank balances other than (ii) above		2,194.08	-	2,194.08
(iv) Loans		181.72	-	181.72
(v) Other current financial assets	10	339.59	(35.72)	303.87
(c) Other current assets		1,543.11	-	1,543.11
Total current assets		**16,460.11**	**(35.72)**	**16,424.39**
TOTAL ASSETS		**37,628.99**	**(13.67)**	**37,615.32**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		2,205.67	-	2,205.67
(b) Other equity		20,177.91	231.23	20,409.14
Total equity		**22,383.58**	**231.23**	**22,614.81**
LIABILITIES				
1 **Non-current liabilities**				
(a) Financial liabilities				
(i) Borrowings	8	3,106.28	(10.01)	3,096.27
(ii) Other financial liabilities		416.58	-	416.58
(b) Provisions		256.51	-	256.51
(c) Government Grants	14	-	27.12	27.12
(d) Deferred tax liabilities (Net)	11	1,183.37	3.46	1,186.83
Total non-current liabilities		**4,962.74**	**20.57**	**4,983.31**
2 **Current liabilities**				
(a) Financial liabilities				
(i) Borrowings		3,039.38	-	3,039.38
(ii) Trade payables		2,957.51	-	2,957.51
(iii) Other financial liabilities		3,161.78	-	3,161.78
(b) Other current liabilities		620.92	-	620.92
(c) Provisions	3	292.84	(265.47)	27.37
(d) Current tax liabilities (net)		210.24	-	210.24
Total current liabilities		**10,282.67**	**(265.47)**	**10,017.20**
TOTAL EQUITY AND LIABILITIES		**37,628.99**	**(13.67)**	**37,615.32**

Disclosures as Required by Indian Accounting Standard (Ind As) 101 first Time Adoption of Indian Accounting Standards

Reconciliation of standalone total comprehensive income for the year ended March 31, 2017

(₹ in Lacs)

Particulars	Ref. Note No.	As per Indian GAAP	Adjustments	As per Ind AS
INCOME				
Revenue from operations	4, 5	43,978.19	657.13	44,635.32
Other income	9, 10, 14	1,111.15	224.31	1,335.46
Total Income		**45,089.34**	**881.44**	**45,970.78**
EXPENSES				
Cost of materials consumed		14,500.24	-	14,500.24
Purchases of Stock-in-Trade		568.46	-	568.46
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(426.62)	-	(426.62)
Excise duty on sale of goods	4	-	685.47	685.47
Employee benefits expenses	6	8,159.71	(20.38)	8,139.33
Research and development expenses		903.38	-	903.38
Finance cost	12, 8	700.54	(51.16)	649.38
Depreciation and amortisation expenses	14	2,291.92	3.59	2,295.51
Other expenses	5, 9	11,054.67	(25.33)	11,029.34
Total Expenses		**37,752.30**	**592.19**	**38,344.49**
Profit before tax		**7,337.04**	**289.25**	**7,626.29**
Tax expense				
Current tax		1,760.00	-	1,760.00
Deferred tax		290.26	8.66	298.92
Tax adjustment for earlier years (net)		(52.56)	-	(52.56)
Total tax expenses		**1,997.70**	**8.66**	**2,006.36**
Profit for the year		**5,339.34**	**280.59**	**5,619.93**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Acturial gains/(losses) of defined benefit plan	6	-	(20.37)	(20.37)
Tax impacts on above		-	7.05	7.05
Items that will be reclassified to profit or loss		-	-	-
Other comprehensive income for the year (net of tax)		-	(13.32)	(13.32)
Total comprehensive income for the year		**5,339.34**	**267.27**	**5,606.61**

Reconciliation of standalone total equity as at March 31, 2017 and April 01, 2016

(₹ in Lacs)

Particulars	As at March 31, 2017	As at April 01, 2016
Total equity (shareholder's fund) as per Indian GAAP	**26,204.90**	**22,383.58**
Adjustments:		
Reversal of Proposed dividend	530.93	265.47
Recognition of mark to market gain / (loss) (net)	160.06	(35.72)
Others adjustments (net)	16.70	(1.98)
Tax effects of adjustments	5.08	3.46
Total equity	**26,917.67**	**22,614.81**
Total equity (shareholder's fund) as per Ind AS	**26,917.67**	**22,614.81**

Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Year ended March 31, 2017
Profit after tax as per Indian GAAP	5,339.34
Adjustments:	
Actuarial loss on defined benefit plan transferred to other comprehensive income	(20.37)
Mark to market gain on outstanding forward contracts (net)	195.76
Amortisation of Govt. Grant as other Income	22.74
Others adjustments (Net)	82.46
Total adjustments	**280.59**
Profit after tax as per Ind AS	**5,619.93**
Other comprehensive income	(13.32)
Total comprehensive income as per Ind AS	**5,606.61**

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017
There are no material adjustments of transition to the statement of cash flow to confirm to Ind AS presentation for the year ended March 31, 2017

Disclosure as required by Ind AS 101 - First time adoption - Notes on reconciliation

Note 1: Deemed Cost for Property, Plant and Equipment and Intangible Assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all its property, plant and equipment and intangible assets at their previous GAAP carrying value. There are no decommissioning liabilities of the Company. Stores and spares which met the criteria of definition of property, plant and equipment amounting to ₹ 198.02 lacs as on 31st March 2017 have been transferred to capital work in progress pending capitalisation with corresponding adjustment in inventories.

Note 2: fair valuation of investments

The Company has elected to use the previous GAAP carrying value and not to fair value its investment in subsidiaries and associate as on the date of transition.

Note 3: Proposed dividend and tax thereon

Under the previous GAAP, dividend proposed by the Board of Directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and tax thereon, included under provisions amounting to ₹ 265.47 lacs as on 31st March 2016 and ₹ 530.93 lacs as on 31st March 2017 has been reversed with corresponding adjustment to retained earnings.

Note 4: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. Accordingly, Revenue from operations for the year ended 31st March 2017 has increased by ₹685.47 lacs with a corresponding increase in expenses.

Note 5: Rebate and Discount directly relatable to revenue

Under previous GAAP, the Rebate and discount on sales were shown as other expenses. Under Ind AS, these are required to be netted off against revenue. Accordingly, Revenue from operations for the year ended 31st March 2017 has reduced by ₹ 28.34 lacs with a corresponding decrease in other expenses.

Note 6: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. Accordingly, employees benefit expenses have been reduced by ₹ 20.37 lacs and recognised in other comprehensive income gross of tax for the year ended 31st March 2017.

Note 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a year should be included in the Statement of Profit and Loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as "other comprehensive income" includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 8: Borrowing cost

Ind AS 109 requires processing fees incurred towards origination of borrowings to be deducted from carrying amout of borrowing on initial recognition. These costs are to be recognised in the statement of profit and loss over the tenure of the borrowings as part of interest expenses by applying effective interest rate method. Accordingly retained earnings as on the transition date has increased by ₹ 10.01 lacs (including deferred tax of ₹ 3.46 lacs) with corresponding reduction in borrowing. Processing charges of ₹ 3.63 lacs have been added to the finanace cost in 2016-17 with corresponding adjustment in borrowings.

Note 9: Security Deposit Paid

Under previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the company has fair valued these security deposits under Ind AS. Difference between the fair value and the transaction value of the security deposit has been recognised as prepaid rent. Accordingly, a sum of ₹ 22.47 lacs have been reduced from security deposit receivable as on transition date and ₹ 20.24 lacs as on 31st March 2017 and recognised as prepaid rent. A sum of ₹ 2.23 lacs has been recognised as interest income grouped in other income and ₹ 2.99 lacs have been taken as rent expenses in other expenses during 2016-17.

Note 10: forward Contracts

Under previous GAAP, the difference between the spot rate and forward rate were amortised over the tenure of the forward contract and mark to market gain or losses on un-expired forward contracts entered into to hedge the risk of change in foreign currency exchange rate were being accounted on settlement. Under Ind AS, the mark to market gain or losses are to be accounted at the end of the reporting period. Accordingly, retained earnings on transition date and on 31st March 2017 have been increased by (₹ 35.72) lacs and ₹ 160.06 lacs respectively. The Mark to Market (MTM) gain of ₹ 195.76 lacs for the year ended 31st March 2017 have been taken in other income.

Note 11: Deferred Tax

Indian GAAP requires accounting of deferred tax using income statement approach, which focusses on the difference between taxable profit and accounting profit for the year. Ind AS - 12 requires entities to account for deferred taxes by using balance sheet approach, which focusses on temporary differences between carrying amount of assets or liabilities in balance sheet and its tax base. The application of Ind AS - 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. This has resulted in increase in deferred tax liability by ₹ 3.46 lacs on the date of transition and ₹ 5.08 lacs on 31st March 2017.

Note 12: foreign Currency Monetary Translation Account

Under Indian GAAP, exchange difference arising in respect of long term foreign currency monetary item used for the purposes other than acquisition of depreciable assets were accumulated in “Foreign Currency Monetary Translation Account” to be amortised over balance period of such assets or liability. Under Ind AS, these exchange differences are accounted in the same year, accordingly, a sum of ₹ 3.69 lacs being outstanding amount in Foreign Currency Monetary Translation Account as on 1st April 2016 have been adjusted against opening retained earning as on 1st April 2016 and gain on this account for ₹ 54.79 lacs for the year ended 31st March 2017 have been reduced from finance cost.

Note 13: Investment Property

Under previous GAAP, Investment properties were not shown separately and was part of Fixed assets. Under Ind AS, Investment properties are required to be separately presented on face of balance sheet. There is no impact on the total equity or profit as a result of this adjustment. The Property Plant and Equipment as on 1st April 2016 have reduced by ₹ 65.24 lacs with corresponding new addition in Investment Property.

Note 14: Government Grants

Under Indian GAAP, Company was using deferred income approach for accounting of government grant and was shown as part of Reserve and Surplus. Under Ind AS, Government grant relating to acquisition of property, plant and equipment is presented in the balance sheet by setting up grant as deferred income and credited to profit and loss on straight line basis over expected life of related assets and presented within Other Income. Consequently Reserves decreased by ₹ 5.07 lacs as on 1st April 2016 and non current liabilities increased by ₹ 5.07 lacs. Depreciation charge for the year ended 31st March 2017 has increased by ₹ 3.59 lacs with corresponding increase in other income. Under Ind AS, In respect of property Plant and equipment (PPE) purchased under export promotion capital goods scheme (EPCG), exemption of custom duty under the scheme is treated as Government Grant and recognised in Statement of Profits and loss over the period of fulfillment of associated export obligation. As on transition date 1st April 2016 and 31st March 2017, the amount of Government Grant recognised on account of PPE purchased under EPCG scheme amounted to ₹ 22.05 lacs and ₹ 53.85 lacs respectively with corresponding adjustments in PPE. The Govt. Grants recognised as other income during the year ended 31st March 2017 amounted to ₹ 22.74 lacs.

Notes to Standalone Ind AS Financial Statements for the year ended March 31, 2018

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 232-B, 3rd Floor, Okhla Industrial Estate, Phase III, New Delhi, India.

The Company is a manufacturer/producer of Medical Devices.

The standalone Ind AS financial statements of the company for the year ended 31st March 2018 were approved and authorized for issue by board of directors in their meeting held on 10th May 2018

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 as also requirements under Para 3 of Ind AS 101.

BASIS OF PREPARATION

Pursuant to MCA notification for applicability of IND AS, The Companies (Indian Accounting Standards) Rules, 2015 (as amended), the Company has adopted IND AS for the financial year beginning from 01st April 2017 with 01st April 2016 as the date of transition.

These are the Company’s first annual financial statements prepared complying in all material respects with the accounting standards noticed under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules 2015. The financial statements comply with IND AS noticed by Ministry of Corporate Affairs (“MCA”). The Company has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet as at 01st April 2016 and comparative period presented.

The company prepared financial statements for all periods upto 31st March 2017 in accordance with The Accounting Standards noticed under section 133 of The Companies Act 2013 (as amended) (read with Companies (Accounts) Rules 2014 (“Indian GAAP’’). Indian GAAP is considered as the previous GAAP, under IND AS 101.

The reconciliation of effects of the transition from Indian GAAP to IND AS is disclosed in these financial statements.

The financial statement has been prepared considering all IND AS as noticed by MCA till reporting date i.e. 31st March 2018.

The financial statements provide comparative information in respect to the previous year (including Balance Sheet at the beginning on the transition date to IND AS).

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 speciûed 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 satifying 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 specialized 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.

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:

- Revenue is measured at fair value of consideration received or receivables. Amount disclosed as revenue are inclusive of Excise duty and net of Goods and Service Tax (GST), returns, discounts, rebates. The company recognises revenue when the amount of revenue can be reliably measured, recovery of the consideration is probable and it is probable that future economic benefit will flow to the company.
- Domestic Sales are accounted for on dispatch from point of sale corresponding to transfer of significant risk and reward of ownership to buyer.
- Export sales are recognized on transfer of risks and reward of ownership to the buyer as per terms of sale and initially recorded at the relevant exchange rate prevailing on the date of transactions.
- **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 Judgments, Estimates and Assumptions:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

aa Capital:

Debt and equity instruments: Ordinary equity shares are classified as equity. Debt instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

ab first Time adoption

The Company has prepared the opening balance sheet as per Ind AS as of the transition date 01st April 2016 by:

i recognising all assets and liabilities where recognition is required by Ind AS.

ii not recognising item of assets and liabilities which are not permitted by Ind AS.

iii reclassifying items from previous GAAP to Indian AS as required under Ind AS.

iv applying Ind AS in measurement of recognised assets and liabilities.

The impact of transition from GAAP to Ind AS have been adjusted in opening balance of retained earnings as at 01st April 2016. The figures for the previous year have been re-grouped, restated, reclassified where ever required to comply with the requirements of Ind AS and Schedule III.

Optional Exemption availed

i **Investment in Subsidiaries and associates:**

The company has elected to measure investment in subsidiaries, associate at carrying value as per IGAAP.

ii **Property, Plant and Equipment:** The company has elected to measure all item of property, plant and equipment and Intangible assets at its carrying value as per IGAAP at transition date.

2 PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equip-mend	Furniture & Fixtures	Office Equip-ment	Vehicles	Total Tangible	Software	Patent & Trade Marks	Total Intangible	Net Assets
Gross Carrying Value as on 01.04.2016	1,346.08	862.18	2,627.76	21,620.30	328.71	354.71	635.49	27,775.23	203.70	814.58	1,018.28	28,793.51
Additions during the year	321.06	-	284.04	2,996.59	53.58	171.76	274.78	4,101.81	526.74	163.95	690.69	4,792.50
Deductions/Adjustments	-	-	-	236.28	-	0.11	2.45	238.84	-	-	-	238.84
Gross Carrying Value as on 31.03.2017	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
Accumulated Depreciation as on 01.04.2016	-	31.93	684.27	9,368.40	164.90	258.01	257.79	10,765.30	132.90	213.50	346.40	11,111.70
Depreciation for the year	-	9.28	90.39	1,869.47	31.08	59.92	99.72	2,159.86	61.60	72.82	134.42	2,294.28
Deductions/Adjustments	-	-	-	106.45	-	0.01	1.47	107.93	-	-	-	107.93
Accumulated Depreciation as on 31.03.2017	-	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
Carrying Value as on 31.03.2017	**1,667.14**	**820.97**	**2,137.14**	**13,249.19**	**186.31**	**208.44**	**551.78**	**18,820.97**	**535.94**	**692.21**	**1,228.15**	**20,049.12**
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**

2.1 The Company has elected to value its property plant and equipment at historical cost as per IGAAP.

2.2 On transition date, Gross block was ₹ 28,793.51 lacs, accumulated depreciation was ₹ 11,111.70 lacs and net block was ₹ 17,681.81 lacs.

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

Particulars	Freehold Land	Leasehold Land	Building	Plant & Equip-mend	Furniture & Fixtures	Office Equip-ment	Vehicles	Total Tangible	Software	Patent & Trade Marks	Total Intangible	Net Assets
Additions during the year	-	-	131.09	109.06	-	0.49	-	240.64	-	-	-	240.64
Depreciation for the year	-	-	11.74	35.98	1.17	6.92	-	55.81	19.95	-	19.95	75.76

2.4 Borrowing cost of ₹ 145.55 lacs (previous year ₹ 9.20 lacs) (previous year ₹ 71.58 lacs) have been included in additions to fixed assets.

(₹ in Lacs)

3 INVESTMENT PROPERTIES

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Gross Balance at beginning	**74.52**	74.52	74.52
Additions during the year	**289.13**	-	-
Disposals / Deductions	**-**	-	-
Depreciation for the year	**4.16**	1.23	-
Total Accumulated Depreciation	**14.67**	10.51	9.28
Net balance at the end of reporting period	**348.98**	**64.01**	**65.24**
fair Value	**336.53**	106.86	106.86

Amount recognised in Statement of profit & loss for investment properties

	Year ended March 31, 2018	Year ended March 31, 2017
Rental Income	**6.07**	**-**

The investment properties are leased to tenants under short term cancellation lease with rental payable on monthly basis.

3.1 On transition date, the company has opted to continue with carrying value of Investment Property as deemed cost and Net carrying value under previous Indian GAAP as on 31st March 2016 is recognised as Gross carrying amount in Ind AS as on 1st April 2016.

3.2 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.

3.3 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.

3.4 The conveyance deed of three Investment properties valued at ₹ 289.13 lacs are yet to be executed in favor of the company.

4 INVESTMENT IN ASSOCIATES

(₹ in Lacs)

Particulars	Non-current			Current		
	As at					
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
(Valued at cost unless stated otherwise) Unquoted equity instruments - fully paid						
Investment in subsidiaries						
U.S.Safety Syringes Co. LLC, USA USD 300,000 (PY USD 300,000) (PY USD 300,000) Membership Interest	**130.33**	130.33	130.33	**-**	-	-
Less: Provision for diminution in value of investment	**(130.33)**	(130.33)	(130.33)	**-**	-	-
Poly Medicure (Laiyang) Co. Ltd. China USD 1,100,000 (PY USD 1,100,000) (PY USD 1,100,000) Membership Interest	**472.39**	472.39	472.39	**-**	-	-
Investment in associates						
59,800 (PY 59,800) (PY 52,900) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	**88.67**	88.67	88.67	**-**	-	-
Total	**561.06**	**561.06**	**561.06**	**-**	**-**	**-**
Aggregate amount of Unquoted Investment	**691.39**	691.39	691.39	**-**	-	-
Aggregate provision for diminuation in the value of Investment	**130.33**	130.33	130.33	**-**	-	-
Category wise summary: Financial assets measured at amortised cost (net of provision)	**561.06**	561.06	561.06	**-**	-	-
Financial assets measured at fair value through profit and loss	**-**	-	-	**-**	-	-

Movement in provision for diminuation in value of investment

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Balance at the beginning of the year	**130.33**	130.33	130.33
Additions during the year	**-**	-	-
Adjusted out of provision	**-**	-	-
Balance at the end of the year	**130.33**	130.33	130.33

5 OTHER INVESTMENT

(₹ in Lacs)

Particulars	Non-current			Current		
	As at					
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
Investment measured at fair value through profit and loss						
Unquoted						
In Fixed Maturity Plans						
UTI FITF Series XXVII - II (1161 DAYS)	**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	**-**	-	-	**25.08**	-	-
UTI Income Opportunities Fund- Growth P	**-**	-	-	**103.91**	-	-
Total	**209.02**	**-**	-	**1,061.81**	-	-
Aggregate amount of Unquoted Investment	**209.02**	-	-	**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	**209.02**	-	-	**1,061.81**	-	-

Notes: 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

Particulars	Non-current			Current		
	As at			As at		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
(Unsecured, considered good, unless stated otherwise)						
Loans and advance to employees	**-**	1.00	-	**14.52**	12.42	2.84
Loan and advances to subsidiary companies	**-**	-	-	**-**	-	178.88
Others	**-**	-	-	**1.24**	-	-
Total	**-**	**1.00**	**-**	**15.76**	**12.42**	**181.72**

Loans and Advances to subsidiary companies includes :						
Due from Poly Medicure (Laiyang) Co.Ltd., China	**-**	-	-	**-**	-	178.88

Maximum amount outstanding during the year ₹ Nil (PY ₹ 178.88 lacs) (PY ₹ 178.88 lacs)

(₹ in Lacs)

7 OTHER FINANCIAL ASSETS

Particulars	Non-current			Current		
	As at			As at		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
(Unsecured, considered good, unless stated otherwise)						
Security Deposits						
Considered good	**135.90**	105.56	102.41	**58.59**	48.92	31.57
Considered doubtful	**-**	-	-	**12.82**	7.09	3.66
Less: Provision for doubtful deposits	**-**	-	-	**(12.82)**	(7.09)	(3.66)
Interest accrued on bank deposits / Advances #	**21.58**	19.06	21.06	**37.54**	88.28	151.07
Dividend / Governing council share from associates	**-**	-	-	**7.36**	19.08	47.72
Valuation gain on outstanding forward contracts	**-**	-	-	**-**	237.43	57.78
Other receivable ##	**-**	-	-	**11.24**	14.36	15.73
Non-current bank balances (refer note 12)	**515.18**	420.38	199.07	**-**	-	-
Total	**672.66**	**545.00**	**322.54**	**114.73**	**408.07**	**303.87**

\# Includes Interest accrued on loan to subsidiary Company ₹ Nil (PY ₹ Nil) (PY ₹ 23.84 lacs)

\## Includes ₹ 2.33 lacs (PY ₹ 2.33 lacs) (PY ₹ 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

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Balance at the beginning of the year	**7.09**	3.66	-
Movement in amount of provision (Net)	**5.73**	3.43	-
Balance at the end of the year	**12.82**	7.09	3.66

8 OTHER ASSETS

Particulars	Non-current			Current		
	As at			As at		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
(Unsecured, considered good, unless stated otherwise)						
Capital Advances						
Considered Good	**1,149.45**	1,327.70	760.91	**-**	-	-
Considered Doubtful	**77.08**	-	-	**-**	-	-
Less: Provision for doubtful advances	**(77.08)**	-	-	**-**	-	-

(₹ in Lacs)

Particulars	Non-current			Current		
	As at			As at		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
Other loans and advances						
Advance for goods / services						
Considered Good	**-**	-	-	**355.25**	330.21	256.07
Considered Doubtful	**-**	-	-	**7.71**	7.71	7.08
Less: Provision for doubtful advances	**-**	-	-	**(7.71)**	(7.71)	(7.08)
Balance with revenue authorities	**-**	-	-	**1,215.85**	631.26	464.42
Advance tax / tax deducted at source (net of provision)	**84.21**	310.72	403.68	**-**	-	-
Prepaid Expenses	**23.73**	19.47	23.92	**116.79**	44.72	72.53
GST, Excise Duty, Service tax and VAT refundable	**-**	-	-	**983.86**	373.89	276.75
Export benefits receivable	**-**	-	-	**1,035.91**	653.26	473.34
Total	**1,257.39**	**1,657.89**	**1,188.51**	**3,707.66**	**2,033.34**	**1,543.11**

8.1 Movement in the provision for doubtful advances

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Balance at the beginning of the year	**7.71**	7.08	
Movement in amount of provision (Net)	**77.08**	0.63	
Balance at the end of the year	**84.79**	7.71	7.08

9 INVENTORIES

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
(Valued at lower of cost and net realisable value)			
Raw Materials including packing materials	**3,538.43**	3,623.03	2,869.41
Goods-in transit	**436.97**	333.38	54.59
Work-in-progress	**1,572.60**	886.44	507.62
Finished Goods	**859.71**	568.64	524.13
Stock-in-trade	**21.66**	4.86	1.57
Stores and spares	**425.72**	374.49	100.93
Total	**6,855.09**	**5,790.84**	**4,058.25**

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 ₹ 88.66 lacs (PY ₹ 61.27 lacs) (PY ₹ 50.35 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		
	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good	**11,189.36**	9,525.32	8,073.02
Unsecured, considered doubtful	**33.64**	31.09	39.25
Less: Provision for doubtful debts	**(33.64)**	(31.09)	(39.25)
Total	**11,189.36**	**9,525.32**	**8,073.02**

10.1 Trade receivable includes:

Particulars	Outstanding			Maximum Balance outstanding during		
	As at			As at		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	**65.01**	555.89	199.97	**959.07**	1,166.21	649.06
Due from Ultra For Medical Products (UMIC), being associate company	**567.76**	470.91	477.74	**821.69**	580.95	540.70

10.2 Movement in the provision for doubtful debts

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Balance at the beginning of the year	**31.09**	39.25	
Movement in amount of provision (Net)	**2.55**	(8.16)	
Balance at the end of the year	**33.64**	31.09	39.25

The concentration of credit risk is limited due to large and unrelated customer base.

11 CASH AND CASH EQUIVALENTS

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Balances with Banks			
In current and cash credit accounts	**302.31**	67.95	61.15
In deposit accounts, with less than 3 months maturity period	**51.58**	0.14	0.14
Cash on hand (including foreign currency notes)	**10.47**	8.78	9.05
Cheque in hand	**3.54**	-	-
Total	**367.90**	**76.87**	**70.34**

There are no repatriation restriction with regard to cash and cash equivalents as at the end of reporting period and prior periods.

(₹ in Lacs)

12 OTHER BANk BALANCES

Particulars	Non-current			Current		
	As at			As at		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
Unclaimed dividend accounts	**-**	-	-	**14.56**	15.74	15.20
Held as margin money	**391.17**	367.85	185.14	**-**	-	-
Deposits with more than 3 months but less than 12 months maturity period	**-**	-	-	**1,654.04**	2,145.68	2,178.88
Deposits with more than 12 months maturity period	**124.01**	52.53	13.93	**-**	-	-
Amount disclosed under the head "Other Financial Assets - Non Current " (Refer note 7)	**(515.18)**	(420.38)	(199.07)	**-**	-	-
Total	**-**	**-**	**-**	**1,668.60**	**2,161.42**	**2,194.08**

13 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised share Capital Equity Shares of ₹ 5 each	**12,00,00,000**	**6,000.00**	12,00,00,000	6,000.00	6,00,00,000	3,000.00
Issued, subscribed & paid up shares capital Equity Shares of ₹ 5 each fully paid up	**8,82,26,880**	**4,411.34**	8,82,26,880	4,411.34	4,41,13,440	2,205.67
Total	**8,82,26,880**	**4,411.34**	**8,82,26,880**	**4,411.34**	**4,41,13,440**	**2,205.67**

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	**8,82,26,880**	**4,411.34**	4,41,13,440	2,205.67	4,41,13,440	2,205.67
Add: Issued during the year by way of Bonus Shares	-	-	4,41,13,440	2,205.67	-	-
Outstanding at the end of year	**8,82,26,880**	**4,411.34**	8,82,26,880	4,411.34	4,41,13,440	2,205.67

(₹ in Lacs)

13.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 (PY ₹ 5) (PY ₹ 5). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2017, the company has declared and paid interim dividend two times and the amount of per share interim dividend declared and paid to equity share holders is ₹ 2 per equity share of ₹ 5 each (PY interim dividend ₹ 2.5)

During the year ended 31st March 2017, the amount of per share final dividend recognised as distribution to equity share holders is ₹ 0.50 per equity share of ₹ 5 each (PY ₹ 0.50 per equity share of ₹ 5 each)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.3 Details of shareholders' holding more than 5% shares in the company

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
M/s Ezekiel Global Business Solutions LLP	**1,23,61,320**	**14.01%**	1,23,63,186	14.01%
Mr. Rishi Baid	**98,26,048**	**11.14%**	98,26,048	11.14%
M/s Zetta Matrix Consulting LLP	**83,19,660**	**9.43%**	83,19,660	9.43%
Mr. Himanshu Baid	**80,74,624**	**9.15%**	80,74,624	9.15%

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

13.4 The Board of Directors of the company in their meeting held on 10th May 2018 have proposed a final dividend of ₹ 2 per equity share for the financial year ended 31st March 2018. 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 ₹2127.24 lacs (including dividend distribution tax of ₹ 362.70 lacs)

13.5 Shares allotted for consideration other than cash during the period of five years immediately preceding financial year ended 31st March 2018

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		
	March 31, 2018	March 31, 2017	April 01, 2016
Capital Reserves			
Surplus on re-issue of forfeited shares	**13.19**	13.19	13.19
Application money received on Preferential Warrants issued to promoters forfeited	**33.79**	33.79	33.79
	46.98	**46.98**	**46.98**
Securities Premium Reserve Account			
Balance at the beginning of the year	**-**	83.60	83.60
Less: Utilised for issue of Bonus Shares during the year	**-**	(83.60)	-
Closing Balance	**-**	-	83.60
Share Based Payment Reserve Account			
Balance at the beginning of the year	**23.60**	-	-
Add during the year (Net of lapses)	**18.01**	23.60	-
Closing Balance	**41.61**	23.60	-
General Reserve			
Balance at the beginning of the year	**11,134.83**	10,756.90	8,756.90
Less: Utilised for issue of Bonus Shares during the year	**-**	(2,122.07)	-
Add: Additions during the year	**2,500.00**	2,500.00	2,000.00
Closing Balance	**13,634.83**	11,134.83	10,756.90
Surplus in statement of Profit and Loss			
Balance at the beginning of the year	**11,314.24**	9,521.66	
Add: Additions during the year	**7,019.83**	5,619.93	
Less: Final Dividend adjusted	**(441.13)**	(220.57)	
Less: Final Dividend tax adjusted	**(89.80)**	(44.90)	
Less: Interim Dividend	**-**	(882.27)	
Less: Tax on Interim Dividend	**-**	(179.61)	
Less: Transferred to General Reserve	**(2,500.00)**	(2,500.00)	
Closing Balance	**15,303.14**	11,314.24	9,521.66
Other Comprehensive Income (OCI)			
Balance at the beginning of the year	**(13.32)**	-	-
Add: Addition during the year	**26.66**	(13.32)	-
Closing Balance	**13.34**	(13.32)	-
Grand Total	**29,039.90**	**22,506.33**	**20,409.14**

(₹ in Lacs)

15 BORROWINGS

Particulars	Non-current			Current		
	As at			As at		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
Secured - at amortised cost						
(i) Term loans from banks	**7,753.21**	4,437.40	3,071.37	**2,049.77**	1,973.98	1,650.54
(ii) Others - Vehicle Loan						
from banks	**36.46**	51.13	1.36	**14.67**	14.73	2.27
from others	**46.51**	80.62	23.54	**47.15**	39.94	8.52
(iii) Deferred payment liabilities	**75.40**	193.32	-	**39.56**	52.75	55.45
(iv) Equipment Financing	**-**	-	-	**-**	-	77.63
Amount disclosed under the head “other current financial liabilities” (note 21)	**-**	-	-	**2,151.15**	2,081.40	1,794.41
Total	**7,911.58**	**4,762.47**	**3,096.27**	**-**	**-**	**-**

15.1 Term loan comprise of the following:

Particulars	Non-current			Current		
	As at			As at		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
From Bank						
Rupee Loan #	**5,859.84**	3,919.05	1,269.71	**1,600.39**	798.88	462.50
Foreign Currency Loan	**1,893.37**	518.35	1,801.66	**449.38**	1,175.10	1,188.04

net off of ₹ 12.19 lacs (PY ₹ 6.38 lacs) (PY ₹ 10.01 lacs) as finance charge.

15.2 Terms of repayment:

Particulars	Weighted average Rate of Intrest (P.A)	Installments	Outstanding as at 31.03.2018	Annual repayment schedule			
				2018-19	2019-20	2020-21	2021-22 to 2023-24
Rupee Loan *	8.90%	Qtr / Mon.	**7,472.42**	1,600.39	2,150.67	2,000.66	1,720.70
Foreign Currency Loan	4.52%	Qtr	**1,787.48**	379.97	425.03	452.99	529.49
Buyers credit	0.45%	Qtr	**555.27**	69.41	138.82	347.04	-
Others - Vehicle Loan	8.90%	Monthly	**144.79**	61.82	56.75	21.75	4.47
Deferred Payment Liabilitie	12.00%	2 in year	**114.96**	39.56	39.56	35.85	-

* Includes ₹ 12.19 lacs as prepaid finance charge.

(₹ in Lacs)

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 and plot no. 34, Sector 68, IMT, Faridabad (Haryana) 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 Vehicle Loans are secured by hypothecation / lien of the respective vehicles.

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

16 OTHER NON-CURRENT fINANCIAL LIABILITIES

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Security Deposits from Agents / Others	**497.55**	527.25	416.58
Total	**497.55**	**527.25**	**416.58**

17 PROVISIONS

Particulars	Non-current			Current		
	As at			As at		
	March 31 2018	March 31 2017	April 01 2016	March 31 2018	March 31 2017	April 01 2016
Provision for employee benefits						
Gratuity	**111.09**	233.00	175.33	**19.97**	22.83	19.32
Leave Encashment	**99.15**	99.58	81.18	**12.92**	11.95	8.05
Total	**210.24**	**332.58**	**256.51**	**32.89**	**34.78**	**27.37**

18 DEFERRED TAX LIABILITIES (₹ in Lacs)

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	Net Balance (01.04.2017)	As at March 31, 2018				
		Recognised in profit for (Loss)	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)	(29.98)	-	(45.87)	-	(45.87)
Others	5.07	(5.07)	-	-	-	-
Deferred Tax (Assets) / Liabilities	**1,478.71**	**79.21**	**14.11**	**1,572.01**	**1,707.94**	**(135.93)**

Particulars	Balance as at 1.04.2016	As at 31 March 2017						
		On account of Ind AS Adj	Adjusted Balance as at 01.04.2016	Recognised in profit or Loss	Recognised in OCI	Net Deffered Tax	Deferred Tax Liability	Deferred Assets
Property, plant and equipment and intengible assets	1,308.06	-	1,308.06	284.88	-	1,592.94	1,592.94	-
Provision for defined benefit plan - P&L	(98.24)	-	(98.24)	30.07	-	(68.17)	-	(68.17)
Provision for defined benefit plan - OCI	-	-	-	-	(7.05)	(7.05)	-	(7.05)
Provision for Bonus	(9.15)	-	(9.15)	(19.06)	-	(28.21)	-	(28.21)
Provision for doubtful debts and advances	(17.30)	-	(17.30)	1.42	-	(15.88)	-	(15.88)
Others	-	3.46	3.46	1.61	-	5.07	5.07	-
Deferred Tax (Assets) / Liabilities	**1,183.37**	**3.46**	**1,186.83**	**298.92**	**(7.05)**	**1,478.71**	**1,598.01**	**(119.31)**

18.1 Movement on the deferred tax account is as follows:

Particulars	As at	
	March 31, 2018	March 31, 2017
Balance at the beginning of the year	**1,478.71**	1,186.83
(Credit) / Charge to the statement of profit and loss	**79.21**	298.93
(Credit) / Charge to other comprehensive income	**14.11**	(7.05)
Balance at the end of the year	**1,572.01**	1,478.71

19 BORROWINGS - CURRENT

(₹ in Lacs)

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Secured - from banks			
Cash / Export Credit Loan	2,673.22	2,849.66	3,039.38
Total	**2,673.22**	**2,849.66**	**3,039.38**

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

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Trade payables (including acceptances)	**4,320.56**	4,098.18	2,957.51
Total outstanding dues of micro enterprises and small enterprises	**134.38**	93.00	35.01
Total outstanding dues of trade payables and acceptances other than above	**4,186.18**	4,005.18	2,922.50

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors.

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
a the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;			
- Principal Amount	**131.82**	92.91	35.01
- Interest due	**2.56**	0.09	-
b the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during 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	-	-	-

(₹ in Lacs)

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
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,	-	-	-

21 OTHER CURRENT fINANCIAL LIABILITIES

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Current maturities of long-term borrowings (Refer note no. 15)	**2,151.15**	2,081.40	1,794.41
Interest accrued but not due on borrowings	**2.01**	5.41	0.29
Interest accrued and due on borrowings / Security deposits	**49.56**	51.85	35.26
Unpaid dividends	**14.56**	15.74	15.20
Other payables			
Employees related liabilities	**1,298.76**	1,038.40	912.14
Liability on account of outstanding forward contracts	**45.01**	-	-
Payables for capital goods	**223.55**	214.36	404.48
Total	**3,784.60**	**3,407.16**	**3,161.78**

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

22 OTHER CURRENT LIABILITIES

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Advance from customers	**388.59**	134.96	274.99
Other payables			
Statutory dues	**368.09**	246.41	297.45
Others	**49.31**	38.04	48.48
Total	**805.99**	**419.41**	**620.92**

23 REVENUE fROM OPERATIONS

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of products		
Manufactured goods	**49,195.47**	43,282.29
Traded Goods	**467.83**	603.45
Other operating revenues		
Export Incentives	**1,198.89**	661.02
Sale of scrap	**107.74**	88.56
Total	**50,969.93**	**44,635.32**

24 OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Income		
Interest Income on Fixed and other Deposits	**150.76**	186.17
Interest Income on Income Tax Refund	**48.43**	-
Interest Income from Financial Assets Measured at Amortised Cost	**2.95**	2.23
Other non-operating income		
Rental Income from Investment Property	**6.07**	-
Government Grants and Subsidies	**53.95**	26.33
Miscellaneous Income	**78.49**	67.44
Other Gain		
Provisions / Liabilities no longer required written back (net)	**6.19**	110.15
Gain on fixed assets sold/discarded	**4.12**	122.03
Gain on Foreign Exchange Fluctuation (net)	**1,042.60**	821.11
Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	**43.39**	-
Total	**1,436.95**	**1,335.46**

25 COST Of RAW MATERIALS INCLUDING PACkING MATERIALS CONSUMED

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Raw Material Consumed		
Inventory at the beginning of the year	**2,913.94**	2,372.30
Add: Purchases during the year	**12,530.52**	11,368.67
Less: Inventory at the end of the year	**2,771.89**	2,913.93
Cost of raw material consumed (A)	**12,672.57**	**10,827.04**
Packing Material Consumed		
Inventory at the beginning of the year	**709.10**	497.11
Add: Purchases during the year	**4,098.80**	3,885.19
Less: Inventory at the end of the year	**766.54**	709.10
Cost of packing material consumed (B)	**4,041.36**	**3,673.20**
Total (A+B)	**16,713.93**	**14,500.24**

26 CHANGES IN INVENTORIES Of fINISHED GOODS, WORk-IN-PROGRESS AND STOCk-IN-TRADE

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	(Increase) / Decrease
Inventories at the end 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)**
Inventories at the beginning of year			
Finished Goods and Stock in Trade	**573.50**	525.70	(47.80)
Work in progress	**886.44**	507.62	(378.82)
	1,459.94	**1,033.32**	**(426.62)**

(₹ in Lacs)

27 EMPLOYEES BENEfITS ExPENSES

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries, wages and bonus	**8,581.72**	7,430.90
Contributions to Provident Fund and others	**668.87**	584.40
Share based payment to employees	**18.01**	23.60
Staff Welfare Expenses	**124.06**	100.43
Total	**9,392.66**	**8,139.33**

28 RESEARCH AND DEVELOPMENT ExPENSES

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	**641.09**	527.98
Employee benefits expenses	**313.55**	304.16
Power and Fuel	**32.88**	32.36
Travelling & Conveyance	**8.50**	20.07
Other Misc Expenses including payment to auditors nil (PY ₹ 0.15 lacs)	**8.76**	18.81
Total Revenue Expenses	**1,004.78**	**903.38**
Capital Expenditure	**240.64**	490.36
Total amount spent on Research and Development	**1,245.42**	**1,393.74**

29 fINANCE COST

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest expense		
Interest on loans	**872.18**	642.52
Interest on Income Tax	**3.39**	11.67
Exchange difference to the extent considered as an adjustment to interest costs	**58.00**	(17.61)
Others		
Other amortised borrowing costs	**15.94**	12.80
Total	**949.51**	**649.38**

30 DEPRECIATION AND AMORTISATION ExPENSES

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation of tangible assets	**2,655.08**	2,159.86
Amortisation of intangible assets	**181.42**	134.42
Depreciation of investment properties	**4.16**	1.23
Total	**2,840.66**	**2,295.51**

31 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Consumption of stores and spare parts	**1,154.56**	790.87
Power and Fuel	**1,844.78**	1,617.25
Job Work Charges	**4,867.92**	3,933.26
Other Manufacturing Expenses	**67.82**	80.85
Repairs to Building	**53.69**	37.73
Repairs to Machinery	**72.02**	216.96
Repairs to Others	**27.83**	34.71
Excise Duty on closing stock	**-**	9.40
Insurance (Net)	**68.27**	70.51
Rent	**134.27**	116.34
Rates, Taxes & Fee	**111.87**	79.01
Travelling & Conveyance	**671.30**	645.08
Legal & Professional Fees	**897.05**	1,008.92
Auditors' Remuneration	**19.13**	16.67
Commission and Sitting Fees to Non-Executive Directors	**61.56**	60.02
Donations	**72.55**	62.63
Bank Charges	**161.42**	174.97
Advertisement	**3.10**	5.23
Commission on sales	**353.21**	353.20
Freight & Forwarding (Net)	**472.74**	563.49
Business Promotion	**261.09**	424.94
Exhibition Expenses	**147.16**	177.81
Rebate, Discounts & Claims	**117.42**	67.49
Provision for Doubt ful debts / Advances	**85.36**	-
Bad debts / Misc. Balances written off	**0.68**	14.59
CSR Expenditure	**183.59**	116.61
Other Miscellaneous Expenses	**390.03**	350.80
Total	**12,300.42**	**11,029.34**
Payment to Auditors		
Audit Fee	**11.25**	11.25
Tax audit Fee	**1.25**	1.25
Limited Review of Results	**2.50**	1.50
In other capacity		
(a) For Certification work	**2.83**	1.64
Reimbursement of expenses	**1.30**	1.18
Total	**19.13**	**16.82**

32 TAX EXPENSES

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Tax expense comprises of:		
Current income tax	**2,536.55**	1,760.00
Earlier years tax adjustments (net)	**-**	(52.56)
Deferred tax	**79.21**	298.92
Total Tax expenses	**2,615.76**	**2,006.36**

32.1 Reconciliation of tax expenses and accounting profit multiplied by India's tax rate (₹ in Lacs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit before tax	**9,635.59**	7,626.29
Applicable tax rate	**34.61%**	34.61%
Tax at the Indian tax rate of 34.608% (previous year 34.608%)	**3,334.69**	2,639.31
Tax expenses for earlier years (net)	**-**	(52.56)
Adjustment of expenses disallowed under Income Tax	**141.75**	102.49
Adjustment for expenses allowable under Income Tax Act	**(639.09)**	(822.44)
Other allowable deduction	**(300.80)**	(159.36)
Current Tax (A)	**2,536.55**	1,707.44
Incremental Deferred Tax Liablity on Account of Property, Plant and Equipment and Others	**131.27**	317.98
Incremental Deferred Tax Assets on Financial Assets and others	**(52.06)**	(19.06)
Deferred Tax (B)	**79.21**	298.92
Tax Expenses recognised in statement of Profit and Loss	**2,615.76**	2,006.36
Effective Tax rates	**27.15%**	26.31%

33 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.

Particulars	March 31, 2018						
		Classification			fair Value		
	Carrying 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	-	-	194.50
Total financial assets	**15,860.90**	**1,270.83**	**-**	**14,590.07**	**-**	**1,270.83**	**194.50**
financial liabilities							
Borrowings	10,584.80	-	-	10,584.80	-	-	-
Trade payables	4,320.56	-	-	4,320.56	-	-	-
Other financial liabilities	4,282.15	45.01	-	4,237.14	-	45.01	-
Total financial liabilities	**19,187.51**	**45.01**	**-**	**19,142.50**	**-**	**45.01**	**-**

(₹ in Lacs)

Particulars	March 31, 2017						
		Classification			fair Value		
	Carrying Value	fVPL	fVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	561.06	-	-	561.06	-	-	-
Trade receivables	9,525.32	-	-	9,525.32	-	-	-
Cash & cash equivalents	76.87	-	-	76.87	-	-	-
Other bank balances	2,161.42	-	-	2,161.42	-	-	-
Loans	13.42	-	-	13.42	-	-	-
Other financial assets	953.07	237.43	-	715.64	-	237.43	154.49
Total financial assets	**13,291.16**	**237.43**	**-**	**13,053.73**	**-**	**237.43**	**154.49**
Financial liabilities							
Borrowings	7,612.13	-	-	7,612.13	-	-	-
Trade payables	4,098.18	-	-	4,098.18	-	-	-
Other financial liabilities	3,934.41	-	-	3,934.41	-	-	-
Total financial liabilities	**15,644.72**	**-**	**-**	**15,644.72**	**-**	**-**	**-**

Particulars	April 01, 2016						
		Classification			fair Value		
	Carrying Value	fVPL	fVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In subsidiaries / Associates	561.06	-	-	561.06	-	-	-
Trade receivables	8,073.02	-	-	8,073.02	-	-	-
Cash & cash equivalents	70.34	-	-	70.34	-	-	-
Other bank balances	2,194.08	-	-	2,194.08	-	-	-
Loans	181.72	-	-	181.72	-	-	-
Other financial assets	626.41	57.78	-	568.63	-	57.78	133.98
Total financial assets	**11,706.63**	**57.78**	**-**	**11,648.85**	**-**	**57.78**	**133.98**
Financial liabilities							
Borrowings	6,135.65	-	-	6,135.65	-	-	-
Trade payables	2,957.51	-	-	2,957.51	-	-	-
Other financial liabilities	3,578.36	-	-	3,578.36	-	-	-
Total financial liabilities	**12,671.52**	**-**	**-**	**12,671.52**	**-**	**-**	**-**

(₹ in Lacs)

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.

34 CONTINGENT LIABILITIES AND COMMITMENTS

a Contingent liabilities not provided for:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Show Cause notices from excise department (Amount paid ₹ 2.94 lacs, Previous Year ₹ 2.94 lacs, Previous Year ₹ 2.94 lacs)	**58.78**	58.78	58.78
Claim against the company not acknoweldged as debt	**5.87**	14.07	12.80
Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹2.33 lacs, Previous year ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	**9.34**	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	119.55

(₹ in Lacs)

b Obligations and commitments outstanding:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Unexpired letters of credit ₹ 411.19 lacs (Previous year ₹ 680.55 lacs) (Previous year ₹ 427.46 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹ 1,278.36 lacs (Previous year ₹ 1187.07 lacs) (Previous year ₹ 1,114.76 lacs), (Net of margins)	**1,689.55**	1,867.62	1,542.22
Bills discounted but not matured	**1,688.63**	1,175.17	1,356.12
Custom duty against import under Advance Licence Scheme	**-**	5.88	98.09
Custom duty against import under EPCG Scheme	**1,219.33**	668.17	88.39
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	**1,726.23**	3,483.71	949.29

35 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.

(₹ in Lacs)

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 corresponding rise in the prices of Finished Products, after due discussions with the customers. Otherwise also, the prices of Finished Goods are generally reviewed every year and matching increase 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.

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:

Particulars	Deposits	Trade receivable	Advances
Loss Allowance as on 1 April 2016	3.66	39.25	7.08
Change In loss allowance	3.43	(8.16)	0.63
Loss Allowance as on 31 March 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**

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:

Particulars	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Variable rate borrowing	**2,342.75**	1,693.45	2,989.70
Fixed rate borrowing	**10,393.20**	8,000.08	4,940.36
Total	**12,735.95**	**9,693.53**	**7,930.06**

The analysis by maturities is provided in note D "Maturities of Financed liabilities" below.

(₹ in Lacs)

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:-

Particulars	Impact on profit before tax for the year ended		
	March 31, 2018	March 31, 2017	April 01, 2016
Interest rate- increase by 50 basis point	**11.71**	8.47	14.95
Interest rate- decrease by 50 basis point	**(11.71)**	(8.47)	(14.95)

D) Liquidity Risk

The company's principle source of liquidity are cash & cash equivalent and cash flows that are generated from operations. The company believes that its working capital is sufficient to meet its current requirement. Additionally, the company has sizeable surplus funds in 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.

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
The company has working capital funds which Includes			
Cash and cash equivalent	**367.90**	76.87	70.34
Current investments in liquid mutual funds	**1,061.81**	-	-
Bank balances	**1,668.60**	2,161.42	2,194.08
Trade receivable	**11,189.36**	9,525.32	8,073.02
Total	**14,287.67**	**11,763.61**	**10,337.44**

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

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Fixed			
Cash credit and other facilities	**3,817.81**	6,779.38	3,420.56
Variable			
Other facilities	**-**	-	-

Contractual maturities of significant financial liabilities are as under : **(₹ in Lacs)**

Maturities of financial liabilities

Particulars	Less than and equal to one year	More than one year	Total
As at 31 March 2018			
Trade payable	**4,320.56**	**-**	**4,320.56**
Other Financial liabilities	**6,457.82**	**8,409.13**	**14,866.95**
Total	**10,778.38**	**8,409.13**	**19,187.51**
As at 31 March 2017			
Trade payable	4,098.18	-	4,098.18
Other Financial liabilities	6,256.82	5,289.72	11,546.54
Total	**10,355.00**	**5,289.72**	**15,644.72**
As at 01 April 2016			
Trade payable	2,957.51	-	2,957.51
Other Financial liabilities	6,201.16	3,512.85	9,714.01
Total	**9,158.67**	**3,512.85**	**12,671.52**

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, derivative financial instrument such as foreign exchange forward contracts are used exclusively to mitigate currency risk and not as trading or speculative instrument.

(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: -

Particulars	Type	Currency	As at		
			March 31, 2018	March 31, 2017	April 01, 2016
Forward Contracts		USD:INR	**5,622.95**	3,797.30	2,665.46
	Sell	EURO:INR	**2,671.30**	20.16	286.65
		GBP:INR	**822.74**	243.41	-
	Buy	JPY:INR	**-**	318.64	-

(₹ in Lacs)

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

Particulars	Currency	As at					
		March 31, 2018		March 31, 2017		April 01, 2016	
		FC	INR	FC	INR	FC	INR
Receivable /	USD:INR	**(22.82)**	**(1,487.43)**	(44.46)	(2,679.45)	(77.11)	(5,108.11)
(Payable)	EURO:INR	**(15.84)**	**(1,271.21)**	19.80	1,371.40	9.17	690.65
	GBP:INR	**(7.66)**	**(700.66)**	(0.05)	(3.67)	0.38	36.42
	CAD:INR	**-**	**0.04**	-	-	-	-
	L.E.:INR	**2.01**	**7.38**	-	-	-	-
	SEK:INR	**0.09**	**0.73**	-	-	-	-
	JPY:INR	**(276.02)**	**(169.26)**	57.66	33.42	(198.20)	(116.92)
	AUD:INR	**(0.24)**	**(12.27)**	(9.07)	(448.67)	(0.07)	(3.53)
	SGD:INR	**(0.01)**	**(0.66)**	0.71	33.09	(0.10)	(4.92)
	EGP:INR	**-**	**-**	5.37	19.10	5.37	47.72

(iii) Maturity of outstanding foreign exchange forward contracts

The details in respect of maturity of outstanding forward exchange forward contract are as given: -

Particulars	Type	Currency	As at		
			March 31, 2018	March 31, 2017	April 01, 2016
Not later than 3 months	Sell	USD:INR	**1,712.75**	23.13	293.31
		EURO:INR	**745.81**	-	100.45
		GBP:INR	**274.25**	-	-
	Buy	JPY:INR	**-**	318.64	-
Later than 3 months and not later than 6 months	Sell	USD:INR	**1,205.64**	2,071.65	1,016.64
		EURO:INR	**882.52**	-	-
		GBP:INR	**274.25**	-	-
Later than 6 month & not later than one year	Sell	USD:INR	**2,704.56**	1,702.53	1,355.51
		EURO:INR	**1,042.98**	20.16	186.20
		GBP:INR	**274.25**	243.41	-

(₹ in Lacs)

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

Particulars	for the year ended	
	March 31, 2018	March 31, 2017
Mark to market loss / (Gain) accounted for	**282.44**	(195.76)

36 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:

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Gross borrowings	**12,735.95**	9,693.53	7,930.06
Less: cash and cash equivalents	**367.90**	76.87	70.34
Adjusted net debt	**12,368.05**	9,616.66	7,859.72
Total Equity	**33,451.24**	**26,917.67**	22,614.81
Adjusted net debt to equity	**36.97%**	35.73%	34.75%

The company's total owned funds of ₹ 33,451.24 lacs with ₹ 12,368.05 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**

Particulars	As at	
	March 31, 2018	March 31, 2017
Dividend recognised in the financial statements		
Final dividend for year ended 31-Mar-17 of ₹ 0.50 per equity share (31-Mar-16 ₹ 0.50)	**441.13**	220.57
Interim dividend for the year ended 31-Mar-18 of ₹ Nil (31-Mar-17 ₹ 2.00)	**-**	882.27
Dividend tax	**89.80**	224.51

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 ₹ 0.50 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 ₹ 2,127.24 lacs (including dividend distribution tax of ₹ 362.70 lacs).

37 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 and Associate

Subsidiaries

1 US Safety Syringes Co. LLC, USA

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

Associate

Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel

1 Mr. Himanshu Baid (Managing Director)

2 Mr. Rishi Baid (Executive Director)

3 Mr. J. K. Oswal (CFO)

4 Mr. Avinash Chandra (Company Secretary)

5 Mr. Devendra Raj Mehta (Independent Director)

6 Mr. Prakash Chand Surana (Independent Director)

7 Mr. Y. S. Choudhary (Independent Director), ceased on 23.12.2017

8 Mr. Shailendra Raj Mehta (Independent Director)

9 Dr. Sandeep Bhargava (Independent Director)

10 Mr. Alessandro Balboni (Additional Director), wef 10.05.2018

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 and Associate		key Management personnel and their relatives		Enterprises controlled by key management personnel and their relatives	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Sales of Goods	**888.07**	**870.39**			**1,986.35**	**1,914.53**
Ultra for Medical Products Egypt	**888.07**	870.39				
Vitromed Healthcare					**1,986.35**	1,914.53
Purchases of Goods	**223.85**	**24.74**			**3.85**	**30.22**
Ultra for Medical Products Egypt	**-**	24.74				
Poly Medicure (Laiyang) Co. Ltd	**223.85**	-				
Vitromed Healthcare					**3.85**	30.22
Job work					**4,515.91**	**3,651.72**
Vitromed Health Care					**4,515.91**	3,651.72
Rent received					**0.24**	**0.24**
Virtomed Healthcare					**0.24**	0.24
Rent paid					**1.69**	**1.61**
Jai Polypan Pvt. Ltd.					**1.69**	1.61
Repayment of loan given	**-**	**163.56**				
Poly Medicure (Laiyang) Co. Ltd., China	**-**	163.56				
Interest received on Loan	**-**	**2.29**				
Poly Medicure (Laiyang) Co. Ltd., China	-	2.29				
Directors / Key Managerial Personnels' Remuneration including commission			**870.59**	**724.44**		
Mr. Himanshu Baid			**414.25**	342.98		
Mr. Rishi Baid			**407.28**	337.60		
Mr. J. K. Oswal			**41.59**	37.35		
Mr. Avinash Chandra			**7.47**	6.51		
Defined benefit obligations			2.32	**2.98**		
Mr. Himanshu Baid			**1.67**	0.68		
Mr. Rishi Baid			**0.06**	0.77		
Mr. J. K. Oswal			**0.54**	1.46		
Mr. Avinash Chandra			**0.05**	0.07		
Share based payment			**1.32**	**1.11**		
Mr. J. K. Oswal			**1.32**	1.11		
Salary and perquisites			**47.39**	**42.72**		
Mr. Vishal Baid			**47.39**	42.72		
Commission and Sitting fees			**61.50**	**59.50**		
Mr. J. K. Baid			**9.75**	9.75		
Mrs. Mukulika Baid			**9.50**	9.50		
Mr. Devendra Raj Mehta			**10.00**	10.00		
Mr. Prakash Chand Surana			**11.00**	9.25		
Mr. Y.S. Choudhary			**1.75**	10.50		
Mr. Shailendra Raj Mehta			**10.50**	10.50		
Dr. Sandeep Bhargava			**9.00**	-		

Outstanding balances at the year end **(₹ in Lacs)**

Particulars	Subsidiaries and Associate			Key Management personnel and their relatives			Enterprises controlled by key management personnel and their relatives		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Loan outstanding	**-**	**-**	**178.88**						
Poly Medicure (Laiyang) Co. Ltd., China	-	-	178.88						
Dividend/Share Governing Council outstanding	**7.36**	**19.08**	**47.72**						
Ultra for Medical Devices	**7.36**	19.08	47.72						
Interest outstanding	**-**	-	23.84						
Poly Medicure (Laiyang) Co. Ltd., China	**-**	-	23.84						
Directors' Remuneration / Salary payable				**361.48**	**279.42**	**262.65**			
Mr. Himanshu Baid				**178.40**	137.34	129.10			
Mr. Rishi Baid				**178.18**	137.17	129.86			
Mr. Vishal Baid				**2.36**	1.91	1.73			
Mr. J. K. Oswal				**2.04**	2.53	1.58			
Mr. Avinash Chandra				**0.50**	0.47	0.38			
Commission Payable				**40.50**	**40.50**	**40.50**			
Mr. J. K. Baid				**6.75**	6.75	6.75			
Mrs. Mukulika Baid				**6.75**	6.75	6.75			
Mr. Devendra Raj Mehta				**6.75**	6.75	6.75			
Mr. Prakash Chand Surana				**6.75**	6.75	6.75			
Mr. Y. S. Choudhary				**-**	6.75	6.75			
Mr. Shailendra Raj Mehta				**6.75**	6.75	6.75			
Dr. Sandeep Bhargava				**6.75**	-	-			
Trade Receivable	**567.76**	**470.91**	**477.74**				**65.01**	**555.89**	**199.67**
Virtomed Healthcare							**65.01**	555.89	199.67
Ultra for Medical Products	**567.76**	470.91	477.74				**-**	-	-
Trade Payable / Payable for capital goods	**17.32**	**24.74**	**-**				**403.27**	**206.28**	**-**
Virtomed Healthcare							**403.27**	206.28	-
Ultra for Medical Products	**-**	24.74	-						
Poly Medicure (Laiyang) Co. Ltd.	**17.32**	-	-						

38 EARNINGS PER SHARE (EPS) Of ₹ 5/- EACH:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net profit after tax available for equity share holders (₹ In lacs)	**7,019.83**	5,619.93
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	**88,226,880**	**88,226,880**
Basic Earnings per Share (in ₹)	**7.96**	**6.37**
Diluted Earnings per Share		
Weighted Average no. shares outstanding during the year	**88,226,880**	**88,226,880**
Effect of dilutive issue of stock options	**20,550**	**21,250**
Weighted Average no. shares outstanding for diluted EPS	**88,247,430**	**88,248,130**
Diluted Earnings per Share (in ₹)	**7.95**	**6.37**

39 EMPLOYEE BENEfIT:

(₹ in Lacs)

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.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employers’ contribution to provident fund * #	**403.52**	365.41

* incuded in “contribution to provident fund and others” under employee benefit expenses (refer note no. 27)

excluding contribution to provident fund transferred to intangible capital work in progress ₹ Nil (PY ₹ 1.77 lacs) and to Research and Development Expenses ₹ 8.38 lacs (PY ₹ 8.59 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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Obligations at year beginning	**260.83**	194.65
Service Cost - Current	**45.29**	44.65
Service Cost - Past	**1.91**	-
Interest expenses	**19.17**	16.54
Acturial (gain) / Loss on PBO	**(36.78)**	20.38
Benefit payments	**(22.14)**	(15.39)
Addition due to transfer of employee	**-**	-
Obligations at year end	**268.28**	**260.83**

(ii) Change in plan assets

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
fair value of plan assets at the beginning of the period	**5.00**	-
Actual return on plan assets	**4.72**	-
Less- FMC Charges	**(0.36)**	**-**
Employer contribution	**150.00**	5.00
Benefits paid	**(22.14)**	-
fair value of plan assets at the end of the period	**137.22**	**5.00**

(iii) Assets and Liabilities recognized in the Balance Sheet **(₹ in Lacs)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Present Value of the defined benefit obligations	**268.28**	260.83
Fair value of the plan assets	**137.22**	5.00
Amount recognized as Liability	**131.06**	**255.83**

(iv) Defined benefit obligations cost for the year:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost - Current	**45.29**	44.65
Service Cost - Past	**1.91**	-
Interest Cost	**18.79**	16.54
Expected return on plan assets	**-**	-
Actuarial (gain) loss	**-**	-
Net defined benefit obligations cost	**65.99**	61.19

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

Particulars	Year ended March 31, 2018	Year ended March 31, 201
Net cumulative unrecognized actuarial gain/(loss) opening	**-**	-
Actuarial gain / (loss) for the year on PBO	**36.78**	(20.37)
Actuarial gain / (loss) for the year on Asset	**3.99**	-
Unrecognized actuarial gain/(loss) for the year	**40.77**	(20.37)

(vi) Investment details of Plan Assets

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
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 March 31, 2018	Year ended March 31, 2017
Discount Rate per annum	**7.80%**	7.35%
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.

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i)	Retirement Age (Years)	**60.00**	60.00
ii)	Mortality rates inclusive of provision for disability	**100% of IAL M (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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Defined benefit obligations	**268.28**	260.83	194.65	152.54	123.14
Plan assets	**(137.22)**	(5.00)	-	-	-
Deficit /(Surplus)	**131.06**	255.83	194.65	152.54	123.14

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost	**60.17**	54.74
Net Interest Cost	**10.23**	18.81
Expected contribution for next annual reporting perod	**70.40**	73.55

(₹ in Lacs)

(xi) Sensitivity Analysis

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is :

Particulars	Change in Assumption		Increase in Assumption			Decrease in Assumption		
	March 31, 2018	March 31, 2017	Impact	March 31, 2018	March 31, 2017	Impact	March 31, 2018	March 31, 2017
Discount Rate per annum	**0.50%**	0.50%	Decrease by	**(17.28)**	(17.23)	Increase by	**19.08**	19.11
Future salary increases	**0.50%**	0.50%	Increase by	**18.16**	19.37	Decrease by	**(16.59)**	(17.60)

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

Sr. No.	Year	Amount
a	0 to 1 Year	19.97
b	1 to 2 Year	4.14
c	2 to 3 Year	5.27
d	3 to 4 Year	4.37
e	4 to 5 Year	5.46
f	5 to 6 Year	5.20
g	6 Year onwards	223.88

(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.

(₹ in Lacs)

b **Leave Encashment (Unfunded)**

The Leave Encashment liability of ₹ 112.08 lacs form part of long term provision ₹ 99.15 lacs (PY ₹ 99.58 lacs) and short term provision ₹ 12.93 lacs (PY ₹ 11.95 lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

40 Borrowing cost of ₹ 8.79 Lacs (previous year ₹ 9.20 Lacs) (previous year ₹ 7.46 Lacs) have been included in capital work in progress.

41 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 reviews 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)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Medical Devices	**49,663.30**	43,885.74
	49,663.30	**43,885.74**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
With in India	**12,638.31**	13,476.48
Outside India	**37,024.99**	30,409.26
	49,663.30	**43,885.74**

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.

42 LEASES :

Operating leases

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

ii) Lease rental expenses in respect of operating leases: ₹ 134.27 lacs (previous year ₹ 116.34 lacs).

(₹ in Lacs)

iii) The Company has taken certain premises on non-cancellation operating lease. The future minimum lease payments in respect of which as at 31st March 2018 are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payable not later than one year	**136.08**	41.86
Payable later than one year and not later than five year	**163.16**	-
Total	**299.24**	**41.86**

43 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of expenditure incurred on CSR ae as under:

Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1	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	**146.00**	140.19
2.	Amount spent during the year on:		
	i Construction / acquisition of any assets	**-**	-
	ii On purposes other than (i) above	**183.59**	116.61
3	Unspent amount in CSR	**-**	23.58
4	The breakup of expenses included in amount spent are as under:		
	Particulars		
	Animal protection	**16.36**	23.70
	On fooding	**3.60**	13.21
	On promoting education	**105.52**	68.70
	Social welfare	**2.00**	
	Welfare for disabled persons	**38.02**	3.00
	Promoting gender equality & empower women	**0.24**	
	On promotion of healthcare	**17.86**	8.00

44 SHARE BASED PAYMENTS:

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

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

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

  The vesting period has not commenced yet.

(₹ in Lacs)

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 upto 31st March 2016 but not vested as at 1st April 2016 : Nil

b Details of employees stock options granted from 1st April 2016 to 31st March 2018 but not vested as at 31st March 2018.

financial Year (Year of Grant)	**Number**	**financial year of vesting**	**Exercise price**	**fair value at grant date**
2016-17	23500	Not yet vested	50	350
2017-18	Nil	—	—	—

c Movement of share options during the year

Particulars	**As at March 31, 2018**		**As at March 31, 2017**	
	Number of share options	**Exercise Price**	**Number of share options**	**Exercise Price**
Balance at the beginning of the year	**21,250**	**50**	-	-
Granted during the year	**-**	**-**	23,500	50
Forfeited during the year	**700**	**50**	2,250	50
Exercised during the year	**-**	**-**	-	-
Expired / Lapsed during the year	**-**	**-**	-	-
Balance at the end of the year	**20,550**	**50**	21,250	50

d Compensation expenses arising on account of share based payments

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Share based payment expenses to employees	**18.01**	23.60
Total	**18.01**	**23.60**

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 voloatility of the underline shares, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted during the year 31st March 2017 included

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.

No options were granted during the year ended 31 March 2018

45 STANDARDS ISSUED BUT NOT YET EffECTIVE

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 and certain amendments to existing Ind AS. These amendments shall be applicable to the company from 01st April, 2018.

a Issue of Ind AS-115 - Revenue from Contracts with Customers

Ind AS will supersede the current revenue recognition guidance. Ind AS provides a single model of accounting for revenue arising from contracts with customers based on identification and satisfaction of performance obligations.

b Amendments to existing issued Ind AS

The MCA has also issued amendments of following accounting standards :

i) Ind AS 21 - The effects of changes in foreign exchange rates

ii) Ind AS 40 - Investment properties

iii) Ind AS 12 - Income Tax

iv) Ind AS 28 - Investment in Associates and joint ventures, and

v) Ind AS 112 - Disclosure of Interest in Other Entities.

Application of above standards are not expected to have any significant impact on the company's financial statements.

46 Previous year figures have been re-grouped and re-arranged wherever necessary to confirm 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 Partner Membership No. 86580	Himanshu Baid Managing Director DIN: 00014008	Rishi Baid Executive Director DIN: 00048585
Place : New Delhi Date : 10.05.2018	J. K. Oswal CFO	Avinash Chandra Company Secretary

Independent Auditors' Report on Consolidated Ind AS financial statements

To the Members of Poly Medicure Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Poly Medicure Limited ("the Holding Company") and its subsidiaries and associate (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31st March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement, the consolidated statement of change in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance(including other comprehensive income) consolidated cash flows of the Company and consolidated statementof changes in equity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors / management certified accounts referred to in other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31st March 2018, their consolidated profit(including other comprehensive income) their consolidated cash flows and consolidatedStatement of Changes in Equity for the year ended on that date.

Other Matters

a) We did not audit the financial statement / financial information of one foreign subsidiary, whose financial statement / financial information reflect total assets of ₹ 1,126.96 lacs as at 31st March, 2018 total revenues of ₹ 1,421.71 lacs and net cash flows amounting to (₹ 27.04 lacs) for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 124.03 lacs for the year ended 31st December 2017 as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statement / financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our reports in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, and associate, is based solely on the reports of the other auditors.

b) We did not audit the financial statement / financial information of one foreign subsidiary namely U.S. Safety Syringes Co., LLC, whose financial statement/ financial information reflect total assets of ₹ (1.03) lacsas at 31st March 2018, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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

c) The Financial information of the Group for the year ended 31st March 2017 and the transition date opening balance sheet as at 01st April 2016 included in the consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March 2017 and 31st March 2016 prepared in accordance with the Companies (Accounting Standard) rules 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 10th May 2017 and 13th May 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated 10th May 2018.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

(b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated Ind AS 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), the consolidated cash flow statement and the consolidated statement of change in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2018 taken on record by the Board of Directors of the Holding Company, none of the Directors of the holding company incorporated in India is disqualified as on 31st March 2018 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

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

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 34 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

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

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

M.S Agarwal
Partner
Membership number: 086580
Place: New Delhi
Date: 10th May 2018

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 Ind AS financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of Poly Medicure Limited ("the Holding Company") as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal financial Controls over financial Reporting

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

Opinion

In our opinion, the Holding Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

M.S Agarwal
Partner
Membership number: 086580
Place: New Delhi
Date: 10th May 2018

Poly Medicure Limited

(₹ in Lacs)

Consolidated Balance Sheet as at March 31, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	2	**24,864.31**	19,379.23	17,519.67
(b) Capital work-in-progress		**966.39**	1,176.96	287.27
(c) Investment Property	3	**348.98**	64.01	65.24
(d) Intangible assets	2	**1,315.03**	1,228.15	671.88
(e) Intangible assets under development		**858.15**	822.69	1,084.50
(f) Financial Assets				
(i) Investment in associates	4	**469.92**	327.72	442.20
(ii) Other Investments	5	**209.02**	-	-
(iii) Loans	6	-	1.00	-
(iv) Other financial assets	7	**672.66**	545.00	322.54
(g) Other non-current assets	8	**1,257.39**	1,657.89	1,188.51
Total non-current assets		**30,961.85**	**25,202.65**	**21,581.81**
2 Current assets				
(a) Inventories	9	**7,298.90**	6,194.60	4,600.04
(b) Financial assets				
(i) Investments	5	**1,061.81**	-	-
(ii) Trade receivables	10	**11,254.32**	9,553.13	8,297.71
(iii) Cash and cash equivalents	11	**370.08**	106.09	95.05
(iv) Bank balances other than (iii) above	12	**1,668.60**	2,161.42	2,194.08
(v) Loans	6	**15.76**	12.42	2.84
(vi) Other financial assets	7	**123.28**	411.80	284.83
(c) Other current assets	8	**3,727.25**	2,052.54	1,665.77
Total current assets		**25,520.00**	**20,492.00**	**17,140.32**
TOTAL ASSETS		**56,481.85**	**45,694.65**	**38,722.13**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	13	**4,411.34**	4,411.34	2,205.67
(b) Other equity	14	**29,418.46**	22,742.71	20,888.73
Equity attributable to shareholders of the company		**33,829.80**	**27,154.05**	**23,094.40**
Non-controlling interest		**(0.26)**	(0.26)	(0.25)
Total equity		**33,829.54**	**27,153.79**	**23,094.15**
LIABILITIES				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	**7,911.58**	4,762.48	3,096.27
(ii) Other financial liabilities	16	**497.55**	527.25	416.58

(₹ in Lacs)

Particulars	Note No.	As at		
		March 31, 2018	March 31, 2017	April 01, 2016
(b) Provisions	17	**210.24**	332.58	256.51
(c) Government Grants		**203.47**	54.65	27.12
(d) Deferred tax liabilities (Net)	18	**1,572.01**	1,478.71	1,186.83
Total non-current liabilities		**10,394.85**	**7,155.67**	**4,983.31**
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	**3,223.62**	3,229.90	3,345.59
(ii) Trade payables	20	**4,362.45**	4,185.51	3,087.12
(iii) Other financial liabilities	21	**3,820.82**	3,450.29	3,229.70
(b) Other current liabilities	22	**817.68**	481.22	744.65
(c) Provisions	17	**32.89**	34.78	27.37
(d) Current tax liabilities (net)		**-**	3.49	210.24
Total current liabilities		**12,257.46**	**11,385.19**	**10,644.67**
TOTAL EQUITY AND LIABILITIES		**56,481.85**	**45,694.65**	**38,722.13**
Significant accounting policies	a - ab			
The accompanying notes are integral part of the consolidated Ind AS financial statements	1 - 47			

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 : 10.05.2018	CFO	Company Secretary

Poly Medicure Limited

(₹ in Lacs)

Consolidated Statement of Profit & Loss for the year ended March 31, 2018

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
INCOME			
Revenue from operations	23	52,167.79	46,186.10
Other income	24	1,437.58	1,335.50
Total Income		**53,605.37**	**47,521.60**
EXPENSES			
Cost of materials consumed	25	17,112.04	15,066.33
Purchases of Stock-in-Trade		437.26	568.46
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(1,044.29)	(289.68)
Excise duty on sale of goods		126.10	685.47
Employee benefits expense	27	9,912.59	8,725.73
Research and development expenses	28	1,004.78	903.38
Finance cost	29	996.48	674.29
Depreciation and amortisation expense	30	2,924.40	2,372.55
Other expenses	31	12,584.89	11,354.89
Total Expenses		**44,054.25**	**40,061.42**
Profit before tax, share of net profit from associates		**9,551.12**	**7,460.18**
Share of profit from associates		**124.03**	**58.71**
Profit before tax		**9,675.15**	**7,518.89**
Tax expenses:			
Current tax		2,536.55	1,760.00
Deferred tax		79.21	298.92
Tax adjustments for earlier years (net)		-	(52.56)
Total tax expenses	**32**	**2,615.76**	**2,006.36**
Profit after tax		**7,059.39**	**5,512.53**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Acturial gains/(losses) of defined benefit plan		40.77	(20.37)
Tax impacts on above		(14.11)	7.05
Other comprehensive income for the year (net of tax)		**26.66**	**(13.32)**
Total comprehensive income for the year		**7,086.05**	**5,499.21**

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year attributable to:			
Equity holders of the parent		7,059.39	5,512.53
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Equity holders of the parent		7,086.05	5,499.21
Non-controlling interests		-	-
Earnings per equity share: (face value ₹ 5 each) in rupees	**38**		
Basic		8.00	6.25
Diluted		8.00	6.25
Significant accounting policies	a - ab		
The accompanying notes are integral part of the consolidated Ind AS financial statements	1 - 47		

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

Place : New Delhi
Date : 10.05.2018

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 Cash flow for the year ended 31 March 2018 **(₹ in Lacs)**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and exceptional items	**9,551.12**	**7,460.18**
Adjusted for:		
Depreciation and amortisation	**2,924.40**	2,372.55
Share in Income of Associates	**124.03**	58.71
Interest expense	**996.48**	674.29
Interest income	**(202.14)**	(188.40)
Loss/(profit) on sale of fixed assets, net	**(4.12)**	(122.03)
Debts/advances written off	**0.68**	14.59
Provision for doubtful debts and advances	**85.36**	-
Credit balances no longer required, written back	**(6.19)**	(110.15)
Deferred employee compensation expenses (net)	**18.01**	23.60
Unrealised foreign exchange (gain) /loss	**(135.12)**	(86.74)
Other Comprehensive Income	**40.77**	(20.37)
Ind As Adjustment for Unrealised Gain on Mutual Fund	**(43.39)**	-
Ind As Adjustment on Govt. Grant & Subsidy	**(53.95)**	(22.74)
Ind As Adjustment for Interest Income on Financial Assets	**(2.95)**	2.99
Ind As Adjustment for Foreign Currency Monetary Translation Reserve Account	**-**	(54.79)
Ind As Adjustment on Forward Contracts (Net)	**282.44**	(195.76)
Ind As Adjustment for Deferred Processing fees	**5.71**	3.63
Other adjustments including minority	**(39.58)**	(21.33)
Operating profit before working capital changes	**13,541.56**	**9,788.23**
Movement in working capital		
Decrease/(increase) in inventories	**(1,104.29)**	(1,792.58)
Decrease/ (increase) in sundry debtors	**(1,513.82)**	(1,315.60)
Decrease/(Increase) in financial assets	**(27.05)**	23.70
Decrease/(Increase) in other assets	**(1,675.12)**	(392.90)
Increase/ (decrease) in trade payables	**166.17**	1,232.02
Increase/ (decrease) in other financial liabilities	**220.37**	65.99
Increase/ (decrease) in other liabilities	**322.70**	(264.57)
Increase/ (decrease) in provisions	**(124.23)**	83.47
Cash generated from operations	**9,806.29**	**7,427.76**
Direct taxes paid (net of refunds)	**(2,313.53)**	(1,821.23)
Net cash from operating activities	**7,492.76**	**5,606.53**
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	**(8,245.64)**	(5,860.85)
Purchase of Investments	**(1,227.44)**	-
Proceeds from / (Investment in) Fixed Deposits (net)	**398.02**	(188.65)
Proceeds from sale of fixed assets	**24.56**	252.94
Interest income	**250.36**	229.35
Net cash used for investing activities	**(8,800.14)**	**(5,567.21)**

(₹ in Lacs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings / deferred payment liabilities (net)	**3,093.09**	1,995.08
Dividend and tax thereon Paid	**(530.93)**	(1,327.35)
Interest / Finance charges paid	**(990.79)**	(696.01)
Net cash from (used for) financing activities	**1,571.37**	**(28.28)**
Net increase in cash and cash equivalents (A+B+C)	**263.99**	11.04
Cash and cash equivalents at the beginning of the year	**106.09**	95.05
Cash and cash equivalents at the end of the year	**370.08**	**106.09**
COMPONENTS OF CASH AND CASH EQUIVALENT		
Balances with Banks in current account	**302.71**	71.71
Cheques, drafts on hand	**3.54**	-
Cash on hand (including foreign currency notes)	**12.25**	34.24
Fixed deposits with banks, having original maturity of three months or less	**51.58**	0.14
Cash and cash equivalents at the end of the year	**370.08**	**106.09**

RECONCILIATION STATEMENT OF CASH AND BANK BALANCES

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cash and cash equivalents at the end of the year as per above	370.08	106.09
Add: Balance with banks in dividend / unclaimed dividend accounts	14.56	15.74
Add: Fixed deposits with banks, having maturity period for less than twelve months	1,654.04	2,145.68
Add: Fixed deposits with banks (lien marked)	391.17	367.85
Add: Fixed deposits with banks, having maturity period for more than twelve months	124.01	52.53
Cash and bank balance as per balance sheet (refer note 7, 11 and 12)	**2,553.86**	**2,687.89**

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

March 31, 2018	Opening Balance	Cash flow	Non Cashflow 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**	**(200.72)**	**13,286.35**

(₹ in Lacs)

March 31, 2017	Opening Balance	Cash flow	Non Cashflow Changes	Closing Balance
Short term secured borrowing	**5,140.00**	147.82	(23.48)	5,311.30
Long term secured borrowing	**3,096.27**	1,847.26	181.05	4,762.48
Total liabilities from financing activities	**8,236.27**	**1,995.08**	**157.57**	**10,073.78**

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

Place : New Delhi
Date : 10.05.2018

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

Consolidated Statement of Changes in Equity for the year ended 31st March 2018

(₹ in Lacs)

A. Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
At the beginning of the year	**4,411.34**	2,205.67	2,205.67
Changes in equity share capital during the year	-	2,205.67	-
At the end of the year	**4,411.34**	**4,411.34**	**2,205.67**

B. Other equity

Particulars	reserves and surplus								other comprehensive income	Total
	Capital Reserve	Capital reserve on change in interest in equity of associates	Securities Premium Reserve Account	Share based payment reserve Account	Foreign currency fluctuation reserve	General Reserve	retaine earnings	Share in reserve in associates	remeasurement of defined benefit plan	
Balance as at 1 April 2016	**46.98**	**248.81**	**83.60**	**-**	**50.67**	**10,756.90**	**9,676.55**	**25.22**	**-**	**20,888.73**
Profit for the year							5,512.53			
Other comprehensive income (net of taxes)									(13.32)	
Amount utilised for bonus shares			(83.60)			(2,122.07)				
Transaction with owners in their capacity as owners										
Transfer from retained earnings to General reserve						2,500.00	(2,500.00)			
Addition on account of employees stock option granted				23.60						
Final Dividend / Dividend tax adjusted							(265.47)			
Interim dividend and tax thereon, declared and paid during the year							(1,061.88)			
Addition during the year		(82.14)			(42.12)			(11.56)		
Balance as at 31 March 2017	**46.98**	**166.67**	**-**	**23.60**	**8.55**	**11,134.83**	**11,361.73**	**13.67**	**(13.32)**	**22,742.71**
Profit for the year							7,059.39			
Other comprehensive income (net of taxes)									26.66	
Transaction with owners in their capacity as owners										
Transfer from retained earnings to General Reserve						2,500.00	(2,500.00)			
Addition on account of employees stock option granted				18.01						
Final dividend and tax thereon, declared and paid during the year							(530.93)			
Addition during the year		10.70			25.73			66.19		
alance as at 31 March 2018	**46.98**	**177.37**	**-**	**41.61**	**34.28**	**13,634.83**	**15,390.19**	**79.86**	**13.34**	**29,418.46**

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

Disclosures as required by Indian Accounting Standard (IND AA) 101 first Time Adoption of Indian Accounting Standards

Reconciliation of consolidated equity as at March31, 2017 **(₹ in Lacs)**

Particulars	Ref. Note No.	As per Indian GAAP	Adjustments	As per Ind AS
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	1, 13, 14	19,367.34	11.89	19,379.23
(b) Capital work-in-progress	1	978.94	198.02	1,176.96
(c) Investment Property	13	-	64.01	64.01
(d) Intangible assets		1,228.15	-	1,228.15
(e) Intangible assets under development		822.69	-	822.69
(f) Financial Assets				
(i) Investment in associates		327.72	-	327.72
(ii) Other Investments		-	-	-
(iii) Loans		1.00	-	1.00
(iv) Other non-current financial assets	9	565.24	(20.24)	545.00
(g) Other non-current assets	9	1,638.42	19.47	1,657.89
Total non-current assets		**24,929.50**	**273.15**	**25,202.65**
2 Current assets				
(a) Inventories	1	6,392.62	(198.02)	6,194.60
(b) Financial assets				
(i) Trade receivables		9,553.13	-	9,553.13
(ii) Cash and cash equivalents		106.09	-	106.09
(iii) Bank balances other than (ii) above		2,161.42	-	2,161.42
(iv) Loans		12.42	-	12.42
(v) Other current financial assets	10	251.74	160.06	411.80
(c) Other current assets		2,052.54	-	2,052.54
Total current assets		**20,529.96**	**(37.96)**	**20,492.00**
TOTAL ASSETS		**45,459.46**	**235.19**	**45,694.65**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		4,411.34	-	4,411.34
(b) Other equity		22,029.94	712.77	22,742.71
Equity attributable to shareholders of the company		**26,441.28**	**712.77**	**27,154.05**
Non-controlling interest		(0.26)	-	(0.26)
Total equity		**26,441.02**	**712.77**	**27,153.79**
LIABILITIES				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	8	4,768.86	(6.38)	4,762.48
(ii) Other financial liabilities		527.25	-	527.25
(b) Provisions		332.58	-	332.58
(c) Government Grants	14	-	54.65	54.65
(d) Deferred tax liabilities (Net)	11	1,473.63	5.08	1,478.71
Total non-current liabilities		**7,102.32**	**53.35**	**7,155.67**
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings		3,229.90	-	3,229.90
(ii) Trade payables		4,185.51	-	4,185.51
(iii) Other financial liabilities		3,450.29	-	3,450.29
(b) Other current liabilities		481.22	-	481.22
(c) Provisions	3	565.71	(530.93)	34.78
(d) Current tax liabilities (net)		3.49	-	3.49
Total current liabilities		**11,916.12**	**(530.93)**	**11,385.19**
TOTAL EQUITY AND LIABILITIES		**45,459.46**	**235.19**	**45,694.65**

Disclosures as required by Indian Accounting Standard (IND AS) 101 first Time Adoption of Indian Accounting Standards

Reconciliation of consolidated equity as at March 31, 2016 **(₹ in Lacs)**

Particulars	Ref. Note No.	As per Indian GAAP	Adjustments	As per Ind AS
ASSETS				
1 Non-current assets				
(a) Property, plant and equipment	1, 13, 14	17,562.86	(43.19)	17,519.67
(b) Capital work-in-progress		287.27	-	287.27
(c) Investment Property	13	-	65.24	65.24
(d) Intangible assets		671.88	-	671.88
(e) Intangible assets under development		1,084.50	-	1,084.50
(f) Financial Assets				
(i) Investment in associates		442.20	-	442.20
(ii) Investments		-	-	-
(iii) Loans		-	-	-
(iv) Other financial assets	9	345.01	(22.47)	322.54
(g) Other non-current assets	9	1,166.04	22.47	1,188.51
Total non-current assets		**21,559.76**	**22.05**	**21,581.81**
2 Current assets				
(a) Inventories		4,600.04	-	4,600.04
(b) Financial assets				
(i) Trade receivables		8,297.71	-	8,297.71
(ii) Cash and cash equivalents		95.05	-	95.05
(iii) Bank balances other than (ii) above		2,194.08	-	2,194.08
(iv) Loans		2.84	-	2.84
(v) Other current financial assets	10	320.55	(35.72)	284.83
(c) Other current assets		1,665.77	-	1,665.77
Total current assets		**17,176.04**	**(35.72)**	**17,140.32**
TOTAL ASSETS		**38,735.80**	**(13.67)**	**38,722.13**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		2,205.67	-	2,205.67
(b) Other equity		20,657.50	231.23	20,888.73
Equity attributable to shareholders of the company		**22,863.17**	**231.23**	**23,094.40**
Non-controlling interest		(0.25)	-	(0.25)
Total equity		**22,862.92**	**231.23**	**23,094.15**
LIABILITIES				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	8	3,106.28	(10.01)	3,096.27
(ii) Other financial liabilities		416.58	-	416.58
(b) Provisions		256.51	-	256.51
(c) Government Grants	14	-	27.12	27.12
(d) Deferred tax liabilities (Net)	11	1,183.37	3.46	1,186.83
Total non-current liabilities		**4,962.74**	**20.57**	**4,983.31**
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings		3,345.59	-	3,345.59
(ii) Trade payables		3,087.12	-	3,087.12
(iii) Other financial liabilities		3,229.70	-	3,229.70
(b) Other current liabilities		744.65	-	744.65
(c) Provisions	3	292.84	(265.47)	27.37
(d) Current tax liabilities (net)		210.24	-	210.24
Total current liabilities		**10,910.14**	**(265.47)**	**10,644.67**
TOTAL EQUITY AND LIABILITIES		**38,735.80**	**(13.67)**	**38,722.13**

Disclosures as required by Indian Accounting Standard (IND AS) 101 first Time Adoption of Indian Accounting Standards

Reconciliation of total consolidated comprehensive income for the year ended March 31, 2017 **(₹ in Lacs)**

Particulars	Ref. Note No.	As per Indian GAAP	Adjustments	As per Ind AS
ASSETS				
INCOME				
Revenue from operations	4, 5	45,528.97	657.13	46,186.10
Other income	9, 10, 14	1,111.19	224.31	1,335.50
Total Income		**46,640.16**	**881.44**	**47,521.60**
EXPENSES				
Cost of materials consumed		15,066.33	-	15,066.33
Purchases of Stock-in-Trade		568.46	-	568.46
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(289.68)	-	(289.68)
Excise duty on sale of goods	4	-	685.47	685.47
Employee benefits expense	6	8,746.11	(20.38)	8,725.73
Research and development expenses		903.38	-	903.38
Finance cost	12, 8	725.45	(51.16)	674.29
Depreciation and amortisation expense	14	2,368.96	3.59	2,372.55
Other expenses	5, 9	11,380.22	(25.33)	11,354.89
Total Expenses		**39,469.23**	**592.19**	**40,061.42**
Profit before tax, share of net profit from associates		**7,170.93**	**289.25**	**7,460.18**
Share of profit from associates		58.71		58.71
Profit before tax		**7,229.64**	**289.25**	**7,518.89**
Tax expense:				
Current tax		1,760.00	-	1,760.00
Deferred tax		290.26	8.66	298.92
Tax adjustment for earlier years (net)		(52.56)	-	(52.56)
Total tax expenses		**1,997.70**	**8.66**	**2,006.36**
Profit for the year		**5,231.94**	**280.59**	**5,512.53**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Acturial gains/(losses) of defined benefit plan	6	-	(20.37)	(20.37)
Tax impacts on above		-	7.05	7.05
Other comprehensive income for the year (net of tax)		**-**	**(13.32)**	**(13.32)**
Total comprehensive income for the year		**5,231.94**	**267.27**	**5,499.21**
Profit for the year attributable to:				
Equity holders of the parent		5,231.94	280.59	5,512.53
Non-controlling interests		-	-	-
Total comprehensive income for the year attributable to:				
Equity holders of the parent		5,231.94	267.27	5,499.21
Non-controlling interests		-	-	-

Reconciliation of total consolidated equity as at March 31, 2017 and April01, 2016: **(₹ in Lacs)**

Particulars	**As at March 31, 2017**	**As at April 01, 2016**
Total equity (shareholder's fund) as per Indian GAAP	**26,441.28**	**22,863.17**
Adjustments:		
Reversal of Proposed dividends	530.93	265.47
Recognition of mark to market gain / (loss) (net)	160.06	(35.72)
Others adjustments (net)	16.70	(1.98)
Tax effects of adjustments	5.08	3.46
Total equity	**27,154.05**	**23,094.40**
Total equity (shareholder's fund) as per Ind AS	**27,154.05**	**23,094.40**

Reconciliation of consolidated total comprehensive income for the year ended March 31, 2017:

Particulars	**As at March 31, 2017**
Profit after tax as per Indian GAAP	5,231.94
Adjustments:	
Actuarial loss on defined benefit plan transferred to other comprehensive income	(20.37)
Mark to market gain on outstanding forward contracts (net)	195.76
Amortisation of Govt. Grant as other Income	22.74
Others adjustments (Net)	82.46
Total adjustments	**280.59**
Profit after tax as per Ind AS	**5,512.53**
Other comprehensive income	(13.32)
Total comprehensive income as per Ind AS	**5,499.21**

Impact of Ind AS on the consolidated statements of cash flows for the year ended March 31, 2017

There are no material adjustments of transition to the statement of cash flow to confirm to Ind AS presentation for the year ended March 31, 2017

Disclosure as required by Ind AS 101 - First time adoption - Notes on reconciliation

Note 1: Deemed Cost for Property, Plant and Equipment and Intangible Assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all its property, plant and equipment and intangible assets at their previous GAAP carrying value. There are no decommissioning liabilities of the Company. Stores and spares which met the criteria of definition of property, plant and equipment amounting to ₹ 198.02 lacs as on 31st March 2017 have been transferred to capital work in progress pending capitalisation with corresponding adjustment in inventories.

Note 2: fair valuation of investments

The Company has elected to use the previous GAAP carrying value and not to fair value its investment in subsidiaries and associate as on the date of transition.

Note 3: Proposed dividend and tax thereon

Under the previous GAAP, dividend proposed by the Board of Directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and tax thereon, included under provisions amounting to ₹ 265.47 lacs as on 31st March 2016 and ₹ 530.93 lacs as on 31st March 2017 has been reversed with corresponding adjustment to retained earnings.

Note 4: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. Accordingly, Revenue from operations for the year ended 31st March 2017 has increased by ₹685.47 lacs with a corresponding increase in expenses.

Note 5: Rebate and Discount directly relatable to revenue

Under previous GAAP, the Rebate and discount on sales were shown as other expenses. Under Ind AS, these are required to be netted off against revenue. Accordingly, Revenue from operations for the year ended 31st March 2017 has reduced by ₹ 28.34 lacs with a corresponding decrease in other expenses.

Note 6: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. Accordingly, employees benefit expenses have been reduced by ₹ 20.37 lacs and recognised in other comprehensive income gross of tax for the year ended 31st March 2017.

Note 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a year should be included in the Statement of Profit and Loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as “other comprehensive income” includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 8: Borrowing cost

Ind AS 109 requires processing fees incurred towards origination of borrowings to be deducted from carrying amout of borrowing on initial recognition. These costs are to be recognised in the statement of profit and loss over the tenure of the borrowings as part of interest expenses by applying effective interest rate method. Accordingly retained earnings as on the transition date has increased by ₹ 10.01 lacs (including deferred tax of ₹ 3.46 lacs) with corresponding reduction in borrowing. Processing charges of ₹ 3.63 lacs have been added to the finanace cost in 2016-17 with corresponding adjustment in borrowings.

Note 9: Security Deposit Paid

Under previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly the company has fair valued these security deposits under Ind AS. Difference between the fair value and the transaction value of the security deposit has been recognised as prepaid rent. Accordingly, a sum of ₹ 22.47 lacs have been reduced from security deposit receivable as on transition date and ₹ 20.24 lacs as on 31^{st} March 2017 and recognised as prepaid rent. A sum of ₹ 2.23 lacs has been recognised as interest income grouped in other income and ₹ 2.99 lacs have been taken as rent expenses in other expenses during 2016-17.

Note 10: forward Contracts

Under previous GAAP, the difference between the spot rate and forward rate were amortised over the tenure of the forward contract and mark to market gain or losses on un-expired forward contracts entered into to hedge the risk of change in foreign currency exchange rate were being accounted on settlement. Under Ind AS, the mark to market gain or losses are to be accounted at the end of the reporting period. Accordingly, retained earnings on transition date and on 31^{st} March 2017 have been increased by (₹ 35.72) lacs and ₹ 160.06 lacs respectively. The Mark to Market (MTM) gain of ₹ 195.76 lacs for the year ended 31^{st} March 2017 have been taken in other income.

Note 11: Deferred Tax

Indian GAAP requires accounting of deferred tax using income statement approach, which focusses on the difference between taxable profit and accounting profit for the year. Ind AS - 12 requires entities to account for deferred taxes by using balance sheet approach, which focusses on temporary differences between carrying amount of assets or liabilities in balance sheet and its tax base. The application of Ind AS - 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. This has resulted in increase in deferred tax liability by ₹ 3.46 lacs on the date of transition and ₹ 5.08 lacs on 31^{st} March 2017.

Note 12: foreign Currency Monetary Translation Account

Under Indian GAAP, exchange difference arising in respect of long term foreign currency monetary item used for the purposes other than acquisition of depreciable assets were accumulated in "Foreign Currency Monetary Translation Account" to be amortised over balance period of such assets or liability. Under Ind AS, these exchange differences are accounted in the same year, accordingly, a sum of ₹ 3.69 lacs being outstanding amount in Foreign Currency Monetary Translation Account as on 1^{st} April 2016 have been adjusted against opening retained earning as on 1^{st} April 2016 and gain on this account for ₹ 54.79 lacs for the year ended 31^{st} March 2017 have been reduced from finance cost.

Note 13: Investment Property

Under previous GAAP, Investment properties were not shown separately and was part of Fixed assets. Under Ind AS, Investment properties are required to be separately presented on face of balance sheet. There is no impact on the total equity or profit as a result of this adjustment. The Property Plant and Equipment as on 1^{st} April 2016 have reduced by ₹65.24 lacs with corresponding new addition in Investment Property.

Note 14: Government Grants

Under Indian GAAP, Company was using deferred income approach for accounting of government grant and was shown as part of Reserve and Surplus. Under Ind AS, Government grant relating to acquisition of property, plant and equipment is presented in the balance sheet by setting up grant as deferred income and credited to profit and loss on straight line basis over expected life of related assets and presented within Other Income. Consequently Reserves decreased by ₹ 5.07 lacs as on 1^{st} April 2016 and non current liabilities increased by ₹ 5.07 lacs. Depreciation charge for the year ended 31^{st} March 2017 has increased by ₹ 3.59 lacs with corresponding increase in other income. Under Ind AS, In respect of property Plant and equipment (PPE) purchased under export promotion capital goods scheme (EPCG), exemption of custom duty under the scheme is treated as Government Grant and recognised in Statement of Profits and loss over the period of fulfillment of associated export obligation. As on transition date 1st April 2016 and 31^{st} March 2017, the amount of Government Grant recognised on account of PPE purchased under EPCG scheme amounted to ₹ 22.05 lacs and ₹ 53.85 lacs respectively with corresponding adjustments in PPE. The Govt. Grants recognised as other income during the year ended 31^{st} March 2017 amounted to ₹ 22.74 lacs.

Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2018

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 232-B, 3rd Floor, Okhla Industrial Estate Phase III, New Delhi, India.

The Company is a manufacturer/producer of Medical Devices.

The consolidated Ind AS financial statements of the company for the year ended 31st March 2018 were approved and authorized for issue by board of directors in their meeting held on 10th May 2018

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 as also requirements under Para 3 of Ind AS 101.

BASIS OF PREPARATION

Pursuant to MCA notification for applicability of IND AS, The Companies (Indian Accounting Standards) Rules, 2015 (as amended), the Company has adopted IND AS for the financial year beginning from April 1, 2017 with April 1, 2016 as the date of transition.

These are the Company's first annual financial statements prepared complying in all material respects 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 Company has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet as at April 1, 2016 and comparative period presented.

The company prepared financial statements for all periods upto 31st March 2017 in accordance with The Accounting Standards notified under section 133 of The Companies Act 2013 (as amended) (read with Companies (Accounts) Rules 2014 (''Indian GAAP''). Indian GAAP is considered as the previous GAAP, under IND AS 101.

The reconciliation of effects of the transition from Indian GAAP to IND AS is disclosed in these financial statements.

The financial statement has been prepared considering all IND AS as notified by MCA till reporting date i.e. March 31, 2018.

The financial statements provide comparative information in respect to the previous year (including Balance Sheet at the beginning on the transition date to IND AS).

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 relate 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 incorporation	Holding as on March 31, 2018	Financial year ends on
Subsidiary			
U.S.Safety Syringes Co., LLC	USA	75%	31-Mar-18
Poly Medicure (Laiyang) Company Limited	China	100%	31-Mar-18
Associates			
Ultra For Medical Products Company (Ultra Med)	Egypt	23%	31-Dec-17

The financial results of one of the subsidiary namely U.S.Safety Syringes Co., LLC for the year ended 31st March 2018 are unaudited and have been given effect in the consolidated financial statement as certified by the management.

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 accrual 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 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 except for foreign subsidiaries where defferent useful life has been taken as under:

Type of assets	Useful life
Building	20 Years
Plant and Machinery	
Machinery equipment	10 Years
Transport equipment	5 Years
Electronic equipment	5 Years

(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 recognised 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 satifying 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 specialized 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.

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:

- Revenue is measured at fair value of consideration received or receivables. Amount disclosed as revenue are inclusive of Excise duty and net of Goods and Service Tax (GST), returns, discounts, rebates. The company recognises revenue when the amount of revenue can be reliably measured, recovery of the consideration is probable and it is probable that future economic benefit will flow to the company.

- Domestic Sales are accounted for on dispatch from point of sale corresponding to transfer of significant risk and reward of ownership to buyer.

- Export sales are recognized on transfer of risks and reward of ownership to the buyer as per terms of sale and initially recorded at the relevant exchange rate prevailing on the date of transactions.

- **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

(ii) 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 recognized 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 Judgments, Estimates and Assumptions:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies / claim / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

aa Capital:

Debt and equity instruments:

Ordinary equity shares are classified as equity. Debt instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

ab first Time adoption

The Company has prepared the opening balance sheet as per Ind AS as of the transition date 1.4.2016 by:

i recognising all assets and liabilities where recognition is required by Ind AS.

ii not recognising item of assets and liabilities which are not permitted by Ind AS.

iii reclassifying items from previous GAAP to Indian AS as required under Ind AS.

iv applying Ind AS in measurement of recognised assets and liabilities.

The impact of transition from GAAP to Ind AS have been adjusted in opening balance of retained earnings as at 1.4.16. The figures for the previous year have been re-grouped, restated, reclassified where ever required to comply with the requirements of Ind AS and Schedule III.

Optional Exemption availed

i Investment in Subsidiaries and associates:

The company has elected to measure investment in subsidiaries, associate at carrying value as per IGAAP.

ii Property, Plant and Equipment:

The company has elected to measure all item of property, plant and equipment and Intangible assets at its carrying value as per IGAAP at transition date.

(₹ in Lacs)

2. PROPERTY, PLANT AND EQUIPMENT

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 01.04.2016	1,346.08	862.18	2,820.76	22,413.79	329.33	380.85	635.49	28,788.48	203.70	814.58	1,018.28	29,806.76
Additions during the year	321.06	-	284.04	3,119.77	53.58	174.14	274.78	4,227.37	526.74	163.95	690.69	4,918.06
Deductions/Adjustments	-	-	-	236.28	-	0.11	2.45	238.84	-	-	-	238.84
Gross Carrying Value as on 31.03.2017	1,667.14	862.18	3,104.80	25,297.28	382.91	554.88	907.82	32,777.01	730.44	978.53	1,708.97	34,485.98
Accumulated Depreciation as on 01.04.2016	-	31.94	734.81	9,799.60	165.48	279.19	257.79	11,268.81	132.90	213.50	346.40	11,615.21
Depreciation for the year	-	9.28	99.68	1,934.94	31.08	62.20	99.72	2,236.90	61.60	72.82	134.42	2,371.32
Deductions/Adjustments	-	-	-	106.45	-	0.01	1.47	107.93	-	-	-	107.93
Accumulated Depreciation as on 31.03.2017	-	41.22	834.49	11,628.09	196.56	341.38	356.04	13,397.78	194.50	286.32	480.82	13,878.60
Carrying Value as on 31.03.2017	**1,667.14**	**820.96**	**2,270.31**	**13,669.19**	**186.35**	**213.50**	**551.78**	**19,379.23**	**535.94**	**692.21**	**1,228.15**	**20,607.38**
Gross Carrying Value as on 01.04.2017	1,667.14	862.18	3,104.80	25,297.28	382.91	554.88	907.82	32,777.01	730.44	978.53	1,708.97	34,485.98
Additions during the year	-	-	2,317.11	5,764.03	29.41	67.78	86.60	8,264.93	55.93	212.37	268.30	8,533.23
Deductions/Adjustments	78.36	-	(45.60)	(69.95)	-	(5.98)	14.06	(29.11)	-	-	-	(29.11)
Gross Carrying Value as on 31.03.2018	1,588.78	862.18	5,467.51	31,131.26	412.32	628.64	980.36	41,071.05	786.37	1,190.90	1,977.27	43,048.32
Accumulated Depreciation as on 01.04.2017	-	41.22	834.49	11,628.09	196.56	341.38	356.04	13,397.78	194.50	286.32	480.82	13,878.60
Depreciation for the year	-	9.28	113.43	2,396.21	31.03	72.93	115.94	2,738.82	89.80	91.62	181.42	2,920.24
Deductions/Adjustments	-	-	(13.22)	(61.62)	-	(7.18)	11.88	(70.14)	-	-	-	(70.14)
Accumulated Depreciation as on 31.03.2018	-	50.50	961.14	14,085.92	227.59	421.49	460.10	16,206.74	284.30	377.94	662.24	16,868.98
Carrying Value as on 31.03.2018	**1,588.78**	**811.68**	**4,506.37**	**17,045.34**	**184.73**	**207.15**	**520.26**	**24,864.31**	**502.07**	**812.96**	**1,315.03**	**26,179.34**

2.1 The Company has elected to value its property plant and equipment at historical cost as per IGAAP.

2.2 On transition date, Gross block was ₹ 29,806.76 lacs, accumulated depreciation was ₹ 11,615.21 lacs and net block was ₹ 18,191.55 lacs.

2.3 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	Gross Assets
Additions during the year	-	-	**131.09**	**109.06**	-	**0.49**	-	**240.64**	-	-	-	**240.64**
Depreciation for the year	-	-	**11.74**	**35.98**	**1.17**	**6.92**	-	**55.81**	**19.95**	-	**19.95**	**75.76**

2.4 Borrowing cost of ₹ 145.55 lacs (previous year ₹ 9.20 lacs) (previous year ₹ 71.58 lacs) have been included in additions to Fixed Assets.

(₹ in Lacs)

3 INVESTMENT PROPERTIES

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Gross Balance at beginning	**74.52**	**74.52**	**74.52**
Additions during the year	**289.13**	-	-
Disposals / Deductions	-	-	-
Depreciation for the year	**4.16**	1.23	-
Total Accumulated Depreciation	**14.67**	10.51	9.28
Net balance at the end of reporting period	**348.98**	**64.01**	**65.24**
fair Value	**336.53**	**106.86**	**106.86**

Amount recognised in Statement of profit & loss for investment properties

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental Income	**6.07**	-

The investment properties are leased to tenants under short term cancellation lease with rental payable on monthly basis.

3.1 On transition date, the company has opted to continue with carrying value of Investment Property as deemed cost and Net carrying value under previous Indian GAAP as on 31st March 2016 is recognised as Gross carrying amount in Ind AS as on 1st April 2016.

3.2 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.

3.3 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.

3.4 The conveyance deed of three Investment properties valued at ₹ 289.13 lacs are yet to be executed in favor of the company.

4 INVESTMENT IN ASSOCIATES

Partiulars	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
(valued at cost unless stated otherwise)						
Unquoted equity instruments - fully paid						
Investment in associates						
59,800 (PY 59,800) (PY 52,900) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	**469.92**	327.72	442.20	**-**	-	-
Total	**469.92**	**327.72**	**442.20**	**-**	**-**	**-**
Aggregate amount of Unquoted Investment	**469.92**	327.72	442.20	**-**	-	-
Aggregate provision for diminuation in the value of Investment	**-**	-	-	**-**	-	-
Category wise summary:						
Financial assets measured at amortised cost	**469.92**	327.72	442.20	**-**	-	-
Financial assets measured at fair value through profit and loss	**-**	-	-	**-**	-	-

5 OTHER INVESTMENT

(₹ in Lacs)

Partiulars	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Investment measured at fair value through profit and loss						
Unquoted						
In Fixed Maturity Plans						
UTI FITF Series XXVII - II (1161 DAYS)	**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	**-**	-	-	**25.08**	-	-
UTI Income Opportunities Fund- Growth P	**-**	-	-	**103.91**	-	-
Total	**209.02**	**-**	**-**	**1,061.81**	**-**	**-**
Aggregate amount of Unquoted Investment	**209.02**	-	-	**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	**209.02**	**-**	**-**	**1,061.81**	**-**	**-**

Notes:

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

Partiulars	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
(Unsecured, considered good, unless stated otherwise)						
Loans and advance to employees	**-**	1.00	-	**14.52**	12.42	2.84
Others	**-**	-	-	**1.24**	-	-
Total	**-**	**1.00**	**-**	**15.76**	**12.42**	**2.84**

7 OTHER FINANCIAL ASSETS

(₹ in Lacs)

Particulars	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
(Unsecured, considered good, unless stated otherwise)						
Security Deposits						
Considered good	**135.90**	105.56	102.41	**58.59**	48.92	31.57
Considered doubtful	**-**	-	-	**12.82**	7.09	3.66
Less: Provision for doubtful deposits	**-**	-	-	**(12.82)**	(7.09)	(3.66)
Interest accrued on bank deposits / Advances	**21.58**	19.06	21.06	**37.54**	88.28	127.23
Dividend / Governing council share from associates	**-**	-	-	**7.36**	19.08	47.72
Valuation gain on outstanding forward contracts	**-**	-	-	**-**	237.43	57.78
Other receivable ##	**-**	-	-	**19.79**	18.09	20.53
Non-current bank balances (refer note 12)	**515.18**	420.38	199.07	**-**	-	-
Total	**672.66**	**545.00**	**322.54**	**123.28**	**411.80**	**284.83**

Includes ₹ 2.33 lacs (PY ₹ 2.33 lacs) (PY ₹ 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

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Balance at the beginning of the year	**7.09**	3.66	
Movement in amount of provision (Net)	**5.73**	3.43	
Balance at the end of the year	**12.82**	7.09	3.66

8 OTHER ASSETS

Particulars	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
(Unsecured, considered good, unless stated otherwise)						
Capital Advances						
Considered Good	**1,149.45**	1,327.70	760.91	**-**	-	-
Considered Doubtful	**77.08**	-	-	**-**	-	-
Less: Provision for doubtful advances	**(77.08)**	-	-	**-**	-	-
Other loans and advances						
Advance for goods / services						
Considered Good	**-**	-	-	**374.85**	336.48	365.04
Considered Doubtful	**-**	-	-	**7.71**	7.71	7.08
Less: Provision for doubtful advances	**-**	-	-	**(7.71)**	(7.71)	(7.08)
Balance with revenue authorities	**-**	-	-	**1,215.85**	631.26	464.42
Advance tax / tax deducted at source (net of provision)	**84.21**	310.72	403.68	-	-	-
Prepaid Expenses	**23.73**	19.47	23.92	**116.78**	57.65	86.22
GST, Excise Duty, Service tax and VAT refundable	**-**	-	-	**983.86**	373.89	276.75
Export benefits receivable	**-**	-	-	**1,035.91**	653.26	473.34
Total	**1,257.39**	**1,657.89**	**1,188.51**	**3,727.25**	**2,052.54**	**1,665.77**

8.1 Movement in the provision for doubtful advances **(₹ in Lacs)**

Particulars	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Balance at the beginning of the year	**7.71**	7.08	
Movement in amount of provision (Net)	**77.08**	0.63	
Balance at the end of the year	**84.79**	7.71	7.08

9 INVENTORIES

Particulars	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
(Valued at lower of cost and net realisable value)			
Raw Materials including packing materials	**3,610.71**	3,710.22	2,970.99
Goods-in transit	**436.97**	333.39	55.30
Work-in-progress	**1,707.00**	990.31	593.42
Finished Goods	**1,072.00**	761.20	871.71
Stock-in-trade	**21.66**	4.86	1.57
Stores and spares	**450.56**	394.62	107.05
Total	**7,298.90**	**6,194.60**	**4,600.04**

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 ₹ 88.66 lacs (PY ₹ 61.27 lacs) (PY ₹ 50.35 lacs). These were recognised as an expenses forming part of material consumed during the year in the statement of profit and loss.

10 TRADE RECEIVABLES

Particulars	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Unsecured, considered good	**11,254.32**	9,553.13	8,297.71
Unsecured, considered doubtful	**33.64**	31.09	39.25
Less: Provision for doubtful debts	**(33.64)**	(31.09)	(39.25)
Total	**11,254.32**	**9,553.13**	**8,297.71**

10.1 Trade receivable includes:

Particulars	Outstanding			Maximum balance outstanding during		
	As at					
	March 31, 2018	**March 31, 2017**	**March 31, 2016**	**Year ended March 31, 2018**	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	**65.01**	555.89	199.97	**959.07**	1,166.21	649.06
Due from Ultra For Medical Products (UMIC), being associate company	**567.76**	470.91	477.74	**821.69**	580.95	540.70

10.2 Movement in the provision for doubtful debts **(₹ in Lacs)**

Particulars	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Balance at the beginning of the year	**31.09**	39.25	
Movement in amount of provision (Net)	**2.55**	(8.16)	
Balance at the end of the year	**33.64**	31.09	39.25

The concentration of credit risk is limited due to large and unrelated customer base.

11 CASH AND CASH EQUIVALENTS

Particulars	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Balances with Banks			
In current and cash credit accounts	**302.71**	71.71	73.51
In deposit accounts, with less than 3 months maturity period	**51.58**	0.14	0.14
Cash on hand (including foreign currency notes)	**12.25**	34.24	21.40
Cheque in hand	**3.54**	-	-
Total	**370.08**	**106.09**	**95.05**

There are no repatriation restriction with regard to cash and cash equivalents as at the end of reporting period and prior periods.

12 OTHER BANk BALANCES

Particulars	Non-current			Current		
	As at			As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**	**March 31, 2018**	**March 31, 2017**	**April 01, 2016**
Unclaimed dividend accounts	**-**	-	-	**14.56**	15.74	15.20
Held as margin money	**391.17**	367.85	185.14	**-**	-	-
Deposits with more than 3 months but less than 12 months maturity period	**-**	-	-	**1,654.04**	2,145.68	2,178.88
Deposits with more than 12 months maturity period	**124.01**	52.53	13.93	**-**	-	-
Amount disclosed under the head “Other Financial Assets - Non Current ” (Refer note 7)	**(515.18)**	(420.38)	(199.07)	**-**	-	-
Total	**-**	**-**	**-**	**1,668.60**	**2,161.42**	**2,194.08**

13 EQUITY SHARE CAPITAL **(₹ in Lacs)**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
Authorised share Capital						
Equity Shares of ₹ 5 each	**120,000,000**	**6,000.00**	120,000,000	6,000.00	60,000,000	3,000.00
Issued, subscribed & paid up shares capital						
Equity Shares of ₹ 5 each fully paid up	**88,226,880**	**4,411.34**	88,226,880	4,411.34	44,113,440	2,205.67
Total	**88,226,880**	**4,411.34**	**88,226,880**	**4,411.34**	**44,113,440**	**2,205.67**

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	**88,226,880**	**4,411.34**	44,113,440	2,205.67	44,113,440	2,205.67
Add: Issued during the year by way of Bonus Shares	**-**	**-**	44,113,440	2,205.67	-	-
Outstanding at the end of year	**88,226,880**	**4,411.34**	**88,226,880**	**4,411.34**	**44,113,440**	**2,205.67**

13.2 Terms/rights attached to equity shares

"The company has only one class of equity shares having a par value of ₹ 5 (PY ₹ 5) (PY ₹ 5). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2017, the company has declared and paid interim dividend two times and the amount of per share interim dividend declared and paid to equity share holders is ₹ 2 per equity share of ₹ 5 each (PY interim dividend ₹ 2.5)

During the year ended 31st March 2017, the amount of per share final dividend recognised as distribution to equity share holders is ₹ 0.50 per equity share of ₹ 5 each (PY ₹ 0.50 per equity share of ₹ 5 each)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders."

13.3 Details of shareholders' holding more than 5% shares in the company

	As at March 31, 2018		As at March 31, 2017	
Equity Share of ₹ 5 each (Previous Year ₹ 5 each)	No. of Shares	% of Holding	No. of Shares	% of Holding
M/s Ezekiel Global Business Solutions LLP	**12,361,320**	**14.01%**	12,363,186	14.01%
Mr. Rishi Baid	**9,826,048**	**11.14%**	9,826,048	11.14%
M/s Zetta Matrix Consulting LLP	**8,319,660**	**9.43%**	8,319,660	9.43%
Mr. Himanshu Baid	**8,074,624**	**9.15%**	8,074,624	9.15%

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

(₹ in Lacs)

13.4 The Board of Directors of the company in their meeting held on 10th May 2018 have proposed a final dividend of ₹ 2 per equity share for the financial year ended 31st March 2018. 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 ₹ 2,127.24 lacs (including dividend distribution tax of ₹ 362.70 lacs)

13.5 Shares allotted for consideration other than cash during the period of five years immediately preceding financial year ended 31st March 2018

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

Particulars	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Capital Reserves			
Surplus on re-issue of forfeited shares	**13.19**	13.19	13.19
Application money received on Preferential Warrants issued to promoters forfeited	**33.79**	33.79	33.79
	46.98	**46.98**	**46.98**
Capital reserve on change in interest in equity of associates	**177.37**	166.67	248.81
Securities Premium Reserve Account			
Balance at the beginning of the year	**-**	83.60	83.60
Less: Utilised for issue of Bonus Shares during the year	**-**	(83.60)	-
Closing Balance	**-**	**-**	**83.60**
Share Based Payment Reserve Account			
Balance at the beginning of the year	**23.60**	-	-
Add during the year (Net of lapses)	**18.01**	23.60	-
Closing Balance	**41.61**	**23.60**	**-**
General Reserve			
Balance at the beginning of the year	**11,134.83**	10,756.90	8,756.90
Less: Utilised for issue of Bonus Shares during the year	-	(2,122.07)	-
Add: Additions during the year	**2,500.00**	2,500.00	2,000.00
Closing Balance	**13,634.83**	**11,134.83**	**10,756.90**
Foreign currency fluctuation reserve	**34.28**	8.55	50.67

(₹ in Lacs)

Surplus in statement of Profit and Loss			
Balance at the beginning of the year	**11,361.73**	9,676.55	-
Add: Additions during the year	**7,059.39**	5,512.53	-
Less: Final Dividend adjusted	**(441.13)**	(220.57)	-
Less: Final Dividend tax adjusted	**(89.80)**	(44.90)	-
Less: Interim Dividend	**-**	(882.27)	-
Less: Tax on Interim Dividend	**-**	(179.61)	-
Less: Transferred to General Reserve	**(2,500.00)**	(2,500.00)	-
Closing Balance	**15,390.19**	**11,361.72**	**9,676.55**
Shares in reserves in associates	**79.86**	**13.67**	**25.22**
Other Comprehensive Income (OCI)			
Balance at the beginning of the year	**(13.32)**	-	-
Add: Addition during the year	**26.66**	(13.32)	-
Closing Balance	**13.34**	(13.32)	-
Grand Total	**29,418.46**	**22,742.71**	**20,888.73**

15 BORROWINGS

Particulars	Non-current			Current		
	As at			As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**	**March 31, 2018**	**March 31, 2017**	**April 01, 2016**
Secured - at amortised cost						
(i) Term loans						
from banks	**7,753.21**	4,437.40	3,071.37	**2,049.77**	1,973.98	1,650.54
(ii) Others - Vehicle Loan						
from banks	**36.46**	51.13	1.36	**14.67**	14.73	2.27
from others	**46.51**	80.63	23.54	**47.15**	39.94	8.52
(iii) Deferred payment liabilities	**75.40**	193.32	-	**39.56**	52.75	55.45
(iv) Equipment Financing	**-**	-	-	**-**	-	77.63
Amount disclosed under the head “other current financial liabilities” (note 21)	**-**	-	-	**2,151.15**	2,081.40	1,794.41
Total	**7,911.58**	**4,762.48**	**3,096.27**	**-**	**-**	**-**

15.1 Term loan comprise of the following:

From Bank						
Rupee Loan #	5,859.84	3,919.05	1,269.71	1,600.39	798.88	462.50
Foreign Currency Loan	1,893.37	518.35	1,801.66	449.38	1,175.10	1,188.04

net off of ₹ 12.19 lacs (PY ₹ 6.38 lacs) (PY ₹ 10.01 lacs) as finance charge.

15.2 Terms of repayment: **(₹ in Lacs)**

Particulars	Weighted average) Rate of interest (P.A.	Installments	Outstanding as at 31.03.2018	Annual repayment schedule			
				2018-19	2019-20	2020-21	2021-22 to 2023-24
Rupee Loan *	8.90%	Qtr / Mon.	**7,472.42**	1,600.39	2,150.66	2,000.66	1,720.70
Foreign Currency Loan	4.52%	Qtr	**1,787.48**	379.97	425.03	452.99	529.49
Buyers credit	0.45%	Qtr	**555.27**	69.41	138.82	347.04	-
Others - Vehicle Loan	8.90%	Monthly	**144.79**	61.82	56.75	21.75	4.47
Deferred Payment Liabilities	12.00%	2 in year	**114.96**	39.56	39.56	35.85	

* includes ₹ 12.19 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 and plot no. 34, Sector 68, IMT, Faridabad (Haryana) 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 Vehicle Loans are secured by hypothecation / lien of the respective vehicles.

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

16 OTHER NON-CURRENT fINANCIAL LIABILITIES

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Security Deposits from Agents / Others	**497.55**	527.25	416.58
Total	**497.55**	**527.25**	**416.58**

17 PROVISIONS

Particulars	Non-current			Current		
	As at			As at		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Provision for employee benefits						
Gratuity	**111.09**	233.00	175.33	**19.97**	22.83	19.32
Leave Encashment	**99.15**	99.58	81.18	**12.92**	11.95	8.05
Total	**210.24**	**332.58**	**256.51**	**32.89**	**3.78**	**27.37**

18 Deferred Tax Liabilities **(₹ in Lacs)**

In accordance with IND AS - 12, the company has accounted for deferred taxes during the year as under:

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

Particulars		As at 31 March 2018				
	Net Balance (01.04.2017)	Recognised in profit or (Loss)	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)	(29.98)	-	(45.87)	-	(45.87)
Others	5.07	(5.07)	-	-	-	-
Deferred Tax (Assets) / Liabilities	**1,478.71**	**79.21**	**14.11**	**1,572.01**	**1,707.94**	**(135.93)**

Particulars		As at 31 March 2017						
	Balance as at 1.04.2016	On account of Ind AS Adj	Adjusted balance as at 1.04.2016	Recognised in profit or (Loss)	Recognised in OCI	Net Deferred Tax	Deferred Tax Liability	Deferred Tax Assets
Property, plant and equipment and intangible assets	1,308.06	-	1,308.06	284.88	-	1,592.94	1,592.94	-
Provision for defined benefit plan - P&L	(98.24)	-	(98.24)	30.07	-	(68.17)		(68.17)
Provision for defined benefit plan - OCI	-	-	-	-	(7.05)	(7.05)		(7.05)
Provision for Bonus	(9.15)	-	(9.15)	(19.06)	-	(28.21)		(28.21)
Provision for doubtful debts and advances	(17.30)	-	(17.30)	1.42	-	(15.88)		(15.88)
Others	-	3.46	3.46	1.61	-	5.07	5.07	-
Deferred Tax (Assets) / Liabilities	**1,183.37**	**3.46**	**1,186.83**	**298.92**	**(7.05)**	**1,478.71**	**1,598.01**	**(119.31)**

18.1 Movement on the deferred tax account is as follows:

Particulars	As at	
	March 31, 2018	March 31, 2017
Balance at the beginning of the year	**1,478.71**	1,186.83
(Credit) / Charge to the statement of profit and loss	**79.21**	298.92
(Credit) / Charge to other comprehensive income	**14.11**	(7.05)
Balance at the end of the year	**1,572.01**	1,478.71

19 BORROWINGS - CURRENT

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Secured - from banks			
Cash / Export Credit Loan	**3,223.62**	3,229.90	3,345.59
Total	**3,223.62**	**3,229.90**	**3,345.59**

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 pf the company.

(₹ in Lacs)

20 TRADE PAYABLE

Particulars	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Trade payables (including acceptances)	**4,362.45**	4,185.51	3,087.12
Total outstanding dues of micro enterprises and small enterprises	**134.38**	93.00	35.01
Total outstanding dues of trade payables and acceptances other than above	**4,228.07**	**4,092.51**	**3,052.11**

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors.

	Particulars	As at		
		March 31, 2018	**March 31, 2017**	**April 01, 2016**
a	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;			
	- Principal Amount	**131.82**	92.91	35.01
	- Interest due	**2.56**	0.09	-
b	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during 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

Particulars	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Current maturities of long-term borrowings (Refer note no. 15)	**2,151.15**	2,081.40	1,794.41
Interest accrued but not due on borrowings	**2.01**	5.41	0.29
Interest accrued and due on borrowings / Security deposits	**49.56**	51.85	35.26
Unpaid dividends	**14.56**	15.74	15.20
Other payables			
Employees related liabilities	**1,334.98**	1,081.53	980.06
Liability on account of outstanding forward contracts	**45.01**	-	-
Payables for capital goods	**223.55**	214.36	404.48
Total	**3,820.82**	**3,450.29**	**3,229.70**

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

22 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Advance from customers	**388.59**	177.81	361.52
Other payables			
Statutory dues	**368.50**	251.51	304.66
Others	**60.59**	51.90	78.47
Total	**817.68**	**481.22**	**744.65**

23 REVENUE fROM OPERATIONS

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products		
Manufactured goods	**50,393.33**	44,833.07
Traded Goods	**467.83**	603.45
Other operating revenues		
Export Incentives	**1,198.89**	661.02
Sale of scrap	**107.74**	88.56
Total	**52,167.79**	**46,186.10**

24 OTHER INCOME

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income		
Interest Income on Fixed and other Deposits	**150.76**	186.17
Interest Income on Income Tax Refund	**48.43**	-
Interest Income from Financial Assets Measured at Amortised Cost	**2.95**	2.23
Other non-operating income		
Rental Income from Investment Property	**6.07**	-
Government Grants and Subsidies	**53.95**	26.33
Miscellaneous Income	**79.12**	67.48
Other Gain		
Provisions / Liabilities no longer required written back (net)	**6.19**	110.15
Gain on fixed assets sold/discarded	**4.12**	122.03
Gain on Foreign Exchange Fluctuation (net)	**1,042.60**	821.11
Unrealised gain on valuation of mutual funds measured at fair value through profit or loss	**43.39**	-
Total	**1,437.58**	**1,335.50**

25 COST Of RAW MATERIALS INCLUDING PACkING MATERIALS CONSUMED

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw Material Consumed		
Inventory at the beginning of the year	**3,001.13**	2,473.88
Add: Purchases during the year	**12,913.72**	11,920.37
Less: Inventory at the end of the year	**2,844.17**	3,001.12
Cost of raw material consumed (A)	**13,070.68**	11,393.13
Packing Material Consumed		
Inventory at the beginning of the year	**709.10**	497.11
Add: Purchases during the year	**4,098.80**	3,885.19
Less: Inventory at the end of the year	**766.54**	709.10
Cost of packing material consumed (B)	**4,041.36**	3,673.20
Total (A+B)	**17,112.04**	**15,066.33**

26 CHANGES IN INVENTORIES Of fINISHED GOODS, WORk-IN-PROGRESS AND STOCk-IN-TRADE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	(Increase) / Decrease
Inventories at the end 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)**
Inventories at the beginning of year			
Finished Goods and Stock in Trade	**766.06**	873.28	107.22
Work in progress	**990.31**	593.41	(396.90)
	1,756.37	**1,466.69**	**(289.68)**

27 EMPLOYEES BENEfITS ExPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**9,085.70**	7,999.13
Contributions to Provident Fund and others	**668.87**	584.40
Share based payment to employees	**18.01**	23.60
Staff Welfare Expenses	**140.01**	118.60
Total	**9,912.59**	**8,725.73**

28 RESEARCH AND DEVELOPMENT ExPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue Expenditure charged to statement of profit and loss		
Cost of components and Material Consumed (Net)	**641.09**	527.98
Employee benefits expenses	**313.55**	304.16
Power and Fuel	**32.88**	32.36
Travelling & Conveyance	**8.50**	20.07
Other Misc Expenses including payment to auditors nil (PY ₹0.15 lacs)	**8.76**	18.81
Total Revenue Expenses	**1,004.78**	**903.38**
Capital Expenditure	**240.64**	490.36
Total amount spent on Research and Development	**1,245.42**	**1,393.74**

29 fINANCE COST

(₹ in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense		
Interest on loans	**919.15**	667.43
Interest on Income Tax	**3.39**	11.67
Exchange difference to the extent considered as an adjustment to interest costs	**58.00**	(17.61)
Others		
Other amortised borrowing costs	**15.94**	12.80
Total	**996.48**	**674.29**

30 DEPRECIATION AND AMORTISATION ExPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible assets	**2,738.82**	2,236.90
Amortisation of intangible assets	**181.42**	134.42
Depreciation of investment properties	**4.16**	1.23
Total	**2,924.40**	**2,372.55**

31 OTHER ExPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spare parts	**1,154.56**	790.87
Power and Fuel	**1,904.36**	1,678.04
Job Work Charges	**4,867.92**	3,933.26
Other Manufacturing Expenses	**67.82**	80.85
Repairs to Building	**54.93**	44.57
Repairs to Machinery	**72.02**	216.96
Repairs to Others	**34.81**	51.98
Excise Duty on closing stock	**-**	9.40
Insurance (Net)	**177.35**	181.49
Rent	**167.68**	148.20
Rates, Taxes & Fee	**112.44**	79.62
Travelling & Conveyance	**679.90**	660.73
Legal & Professional Fees	**902.92**	1,014.54
Auditors' Remuneration	**19.98**	17.42
Commission and Sitting Fees to Non-Executive Directors	**61.56**	60.02
Donations	**72.55**	62.63
Bank Charges	**161.42**	174.97
Advertisement	**3.10**	5.23
Commission on sales	**353.21**	353.20
Freight & Forwarding (Net)	**505.61**	608.94
Business Promotion	**271.19**	429.51
Exhibition Expenses	**147.16**	177.81
Rebate, Discounts & Claims	**117.42**	67.49
Provision for Doubt ful debts / Advances	**85.36**	-
Bad debts / Misc. Balances written off	**0.68**	14.59
CSR Expenditure	**183.59**	116.61
Other Miscellaneous Expenses	**405.35**	375.96
Total	**12,584.89**	**11,354.89**

(₹ in Lacs)

Payment to Auditors		
Audit Fee	**12.10**	12.00
Tax audit Fee	**1.25**	1.25
Limited Review of Results	**2.50**	1.50
In other capacity	**-**	-
(a) For Certification work	**2.83**	1.64
Reimbursement of expenses	1.30	1.18
Total	**19.98**	**17.57**

32 TAx ExPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Tax expense comprises of:		
Current income tax	**2,536.55**	1,760.00
Earlier years tax adjustments (net)	**-**	(52.56)
Deferred tax	**79.21**	298.92
Total Tax expenses	**2,615.76**	**2,006.36**

32.1 Reconciliation of tax expenses and accounting profit multiplied by India's tax rate

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax and Share of profit of associates	**9,551.12**	7,460.18
Applicable tax rate	**34.61%**	34.61%
Tax at the Indian tax rate of 34.608% (previous year 34.608%)	**3,305.45**	2,581.82
Tax adjustment on account of loss of subsidiary company on consolidation	**29.23**	57.49
Tax expenses for earlier years (net)	**-**	(52.56)
Adjustment of expenses disallowed under Income Tax	**141.75**	102.49
Adjustment for expenses allowable under Income Tax Act	**(639.09)**	(822.44)
Other allowable deduction	**(300.80)**	(159.36)
Current Tax (A)	**2,536.54**	**1,707.44**
Incremental Deferred Tax Liablity on Account of Property, Plant and Equipment and Others	**131.27**	317.98
Incremental Deferred Tax Assets on Financial Assets and others	**(52.06)**	(19.06)
Deferred Tax (B)	**79.21**	**298.92**
Tax Expenses recognised in statement of Profit and Loss	**2,615.75**	2,006.36
Effective Tax rates	**27.39%**	**26.89%**

33 fair value measurement **(₹ in Lacs)**

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.

Particulars	March 31, 2018						
	Carrying Value	Classification			fair Value		
		fVPL	fVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In 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	-	-	194.50
Total financial assets	**15,845.45**	**1,270.83**	**-**	**14,574.62**	**-**	**1,270.83**	**194.50**
financial liabilities							
Borrowings	11,135.20	-	-	11,135.20	-	-	-
Trade payables	4,362.45	-	-	4,362.45	-	-	-
Other financial liabilities	4,318.37	45.01	-	4,273.36	-	45.01	-
Total financial liabilities	**19,816.02**	**45.01**	**-**	**19,771.01**	**-**	**45.01**	**-**

Particulars	March 31, 2017						
	Carrying Value	Classification			fair Value		
		fVPL	fVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In Associates	327.72	-	-	327.72	-	-	-
Trade receivables	9,553.13	-	-	9,553.13	-	-	-
Cash & cash equivalents	106.09	-	-	106.09	-	-	-
Other bank balances	2,161.42	-	-	2,161.42	-	-	-
Loans	12.42	-	-	12.42	-	-	-
Other financial assets	956.80	237.43	-	719.37	-	237.43	154.49
Total financial assets	**13,117.58**	**237.43**	**-**	**12,880.15**	**-**	**237.43**	**154.49**
financial liabilities							
Borrowings	7,992.38	-	-	7,992.38	-	-	-
Trade payables	4,185.51	-	-	4,185.51	-	-	-
Other financial liabilities	3,977.54	-	-	3,977.54	-	-	-
Total financial liabilities	**16,155.43**	**-**	**-**	**16,155.43**	**-**	**-**	**-**

₹ in Lacs

Particulars	Carrying Value	01-Apr-2016 Classification			fair Value		
		fVPL	fVOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets							
Investments							
In Associates	442.20	-	-	442.20	-	-	-
Trade receivables	8,297.71	-	-	8,297.71	-	-	-
Cash & cash equivalents	95.05	-	-	95.05	-	-	-
Other bank balances	2,194.08	-	-	2,194.08	-	-	-
Loans	2.84	-	-	2.84	-	-	-
Other financial assets	607.37	57.78	-	549.59	-	57.78	133.98
Total financial assets	**11,639.25**	**57.78**	**-**	**11,581.47**	**-**	**57.78**	**133.98**
financial liabilities							
Borrowings	6,441.86	-	-	6,441.86	-	-	-
Trade payables	3,087.12	-	-	3,087.12	-	-	-
Other financial liabilities	3,646.28	-	-	3,646.28	-	-	-
Total financial liabilities	**13,175.26**	**-**	**-**	**13,175.26**	**-**	**-**	**-**

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.

34 CONTINGENT LIABILITIES AND COMMITMENTS

a Contingent liabilities not provided for: **₹ in Lacs**

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Show Cause notices from excise department (Amount paid ₹ 2.94 lacs, Previous Year ₹ 2.94 lacs, Previous Year ₹ 2.94 lacs)	**58.78**	58.78	58.78
Claim against the company not acknoweldged as debt	**5.87**	14.07	12.80
Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹2.33 lacs, Previous year ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	**9.34**	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	119.55

b Obligations and commitments outstanding:

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Unexpired letters of credit ₹411.19 lacs (Previous year ₹ 680.55 lacs) (Previous year ₹ 427.46 lacs) and Guarantees including for issuing stand by letter of credit issued by bankers ₹678.36 lacs (Previous year ₹ 539.07 lacs) (Previous year ₹ 444.76 lacs), (Net of margins)	**1,689.55**	1,867.62	1,542.22
Bills discounted but not matured	**1,688.63**	1,175.17	1,356.12
Custom duty against import under Advance Licence Scheme	**-**	5.88	98.09
Custom duty against import under EPCG Scheme	**1,219.33**	668.17	88.39
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	**1,726.23**	3,483.71	949.29

35 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

₹ in lacs

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 corresponding rise in the prices of Finished Products, after due discussions with the customers. Otherwise also, the prices of Finished Goods are generally reviewed every year and matching increase 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.

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 provision –

Particulars	Deposits	Trade receivable	Advances
Loss Allowance as on 1 April 2016	3.66	39.25	7.08
Change In loss allowance	3.43	(8.16)	0.63
Loss Allowance as on 31 March 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**

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	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Variable rate borrowing	**2,342.75**	1,693.45	2,989.70
Fixed rate borrowing	**10,943.60**	8,380.33	5,246.57
Total	**13,286.35**	**10,073.78**	**8,236.27**

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:-

Particulars	Impact on profit before tax for the year ended		
	March 31, 2018	March 31, 2017	April 01, 2016
Interest rate- increase by 50 basis point	**11.71**	8.47	14.95
Interest rate- decrease by 50 basis point	**(11.71)**	(8.47)	(14.95)

D) Liquidity Risk

The company's principle source of liquidity are cash & cash equivalent and cash flows that are generated from operations. The company believes that its working capital is sufficient to meet its current requirement. Additionally, the company has sizeable surplus funds in 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.

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
The company has working capital funds which Includes			
Cash and cash equivalent	**370.08**	106.09	95.05
Current investments in liquid mutual funds	**1,061.81**	-	-
Bank balances	**1,668.60**	2,161.42	2,194.08
Trade receivable	**11,254.32**	9,553.13	8,297.71
Total	**14,354.81**	**11,820.64**	**10,586.84**

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

Particulars	As at		
	March 31, 2018	March 31, 2017	April 01, 2016
Fixed			
Cash credit and other facilities	**3,817.81**	6,779.38	3,420.56
Variable			
Other facilities	-	-	-

Contractual maturities of significant financial liabilities are as under :

Maturities of financial liabilities **₹ in lacs**

Particulars	Less than and equal to one year	More than one year	Total
As at 31 March 2018			
Trade payable	4,362.45	-	4,362.45
Other Financial liabilities	7,044.44	8,409.13	15,453.57
Total	**11,406.89**	**8,409.13**	**19,816.02**
As at 31 March 2017			
Trade payable	4,185.51	-	4,185.51
Other Financial liabilities	6,680.19	5,289.73	11,969.92
Total	**10,865.70**	**5,289.73**	**16,155.43**
As at 01 April 2016			
Trade payable	3,087.12	-	3,087.12
Other Financial liabilities	6,575.29	3,512.85	10,088.14
Total	**9,662.41**	**3,512.85**	**13,175.26**

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, derivative financial instrument such as foreign exchange forward contracts are used exclusively to mitigate currency risk and not as trading or speculative instrument.

(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: -

Particulars	Type	Currency	As at		
			March 31, 2018	March 31, 2017	April 01, 2016
Forward Contracts	Sell	USD:INR	**5,622.95**	3,797.30	2,665.46
		EURO:INR	**2,671.30**	20.16	286.65
		GBP:INR	**822.74**	243.41	-
	Buy	JPY:INR	**-**	318.64	-

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

Particulars	Currency	As at					
		March 31, 2018		March 31, 2017		April 01, 2016	
		FC	INR	FC	INR	FC	INR
Receivable / (Payable)	USD:INR	**(22.82)**	**(1,487.43)**	(44.46)	(2,679.45)	(77.11)	(5,108.11)
	EURO:INR	**(15.84)**	**(1,271.21)**	19.80	1,371.40	9.17	690.65
	GBP:INR	**(7.66)**	**(700.66)**	(0.05)	(3.67)	0.38	36.42
	CAD:INR	**-**	**0.04**	-	-	-	-
	L.E.:INR	**2.01**	**7.38**	-	-	-	-
	SEK:INR	**0.09**	**0.73**	-	-	-	-
	JPY:INR	**(276.02)**	**(169.26)**	57.66	33.42	(198.20)	(116.92)
	AUD:INR	**(0.24)**	**(12.27)**	(9.07)	(448.67)	(0.07)	(3.53)
	SGD:INR	**(0.01)**	**(0.66)**	0.71	33.09	(0.10)	(4.92)
	EGP:INR	-	-	5.37	19.10	5.37	47.72

(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**		
			March 31, 2018	**March 31, 2017**	**April 01, 2016**
Not later than 3 months	Sell	USD:INR	**1,712.75**	23.13	293.31
		EURO:INR	**745.81**	-	100.45
		GBP:INR	**274.25**	-	-
	Buy	JPY:INR	-	318.64	-
Later than 3 months and not later than 6 months	Sell	USD:INR	**1,205.64**	2,071.65	1,016.64
		EURO:INR	**882.52**	-	-
		GBP:INR	**274.25**	-	-
Later than 6 month & not later than one year	Sell	USD:INR	**2,704.56**	1,702.53	1,355.51
		EURO:INR	**1,042.98**	20.16	186.20
		GBP:INR	**274.25**	243.41	-

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

Particulars	**for the year ended**	
	March 31, 2018	**March 31, 2017**
Mark to market loss / (Gain) accounted for	**282.44**	(195.76)

36 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:

Particulars	**As at**		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Gross borrowings	**13,286.35**	10,073.78	8,236.27
Less: cash and cash equivalents	**370.08**	106.09	95.05
Adjusted net debt	**12,916.27**	9,967.69	8,141.22
Total Equity	**33,829.54**	27,153.79	23,094.15
Adjusted net debt to equity	**38.18%**	36.71%	35.25%

The company's total owned funds of ₹ 33,829.54 lacs with ₹ 12,916.27 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 **(₹ In lacs)**

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

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Dividend recognised in the financial statements		
Final dividend for year ended 31-Mar-17 of ₹ 0.50 per equity share (31-Mar-16 ₹ 0.50)	**441.13**	220.57
Interim dividend for the year ended 31-Mar-18 of ₹ Nil (31-Mar-17 ₹ 2.00)	**-**	882.27
Dividend tax	**89.80**	224.51

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 ₹ 0.50 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 ₹ 2,127.24 lacs (including dividend distribution tax of ₹ 362.70 lacs).

37 RELATED PARTY DISCLOSURES:

Related party disclosures as required by Ind AS - 24 "Related Party Disclosures" are as under:

A List of related parties and relationships

a Associate

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. Y. S. Choudhary (Independent Director), ceased on 23.12.2017
8 Mr. Shailendra Raj Mehta (Independent Director)
9 Dr. Sandeep Bhargava (Independent Director)
10 Mr. Alessandro Balboni (Additional Director), wef 10.05.2018

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	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Sales of Goods	**888.07**	**870.39**			**1,986.35**	**1,914.53**
Ultra for Medical Products Egypt	**888.07**	870.39				
Vitromed Healthcare					**1,986.35**	1,914.53
Purchases of Goods	-	**24.74**			**3.85**	**30.22**
Ultra for Medical Products Egypt	-	24.74				
Vitromed Healthcare					**3.85**	30.22
Job work					**4,515.91**	**3,651.72**
Vitromed Health Care					**4,515.91**	3,651.72
Rent received					**0.24**	**0.24**
Virtomed Healthcare					**0.24**	0.24
Rent paid					**1.69**	**1.61**
Jai Polypan Pvt. Ltd.					**1.69**	1.61
Directors/key Managerial Personnels' Remuneration including commission			**870.59**	**724.44**		
Mr. Himanshu Baid			414.25	342.98		
Mr. Rishi Baid			407.28	337.60		
Mr. J. K. Oswal			41.59	37.35		
Mr. Avinash Chandra			7.47	6.51		
Defined benefit obligations			**2.32**	**2.98**		
Mr. Himanshu Baid			1.67	0.68		
Mr. Rishi Baid			0.06	0.77		
Mr. J. K. Oswal			0.54	1.46		
Mr. Avinash Chandra			0.05	0.07		
Share based payment			**1.32**	**1.11**		
Mr. J. K. Oswal			1.32	1.11		
Salary and perquisites			**47.39**	**42.72**		
Mr. Vishal Baid			47.39	42.72		
Commission and Sitting fees			**61.50**	**59.50**		
Mr. J. K. Baid			9.75	9.75		
Mrs. Mukulika Baid			9.50	9.50		
Mr. Devendra Raj Mehta			10.00	10.00		
Mr. Prakash Chand Surana			11.00	9.25		
Mr. Y. S. Choudhary			1.75	10.50		
Mr. Shailendra Raj Mehta			10.50	10.50		
Dr. Sandeep Bhargava			9.00	-		

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 Mar. 2018	31 Mar. 2017	01 Apr. 2016	31 Mar. 2018	31 Mar. 2017	01 Apr. 2016	31 Mar. 2018	31 Mar. 2017	01 Apr. 2016
Dividend / Share Governing Council outstanding	**7.36**	**19.08**	**47.72**						
Ultra for Medical Devices	7.36	19.08	47.72						
Directors' Remuneration / Salary payable				**361.48**	**279.42**	**262.65**			
Mr. Himanshu Baid				**178.40**	137.34	129.10			
Mr. Rishi Baid				**178.18**	137.17	129.86			
Mr. Vishal Baid				**2.36**	1.91	1.73			
Mr. J. K. Oswal				**2.04**	2.53	1.58			
Mr. Avinash Chandra				**0.50**	0.47	0.38			
Commission Payable				**40.50**	**40.50**	**40.50**			
Mr. J. K. Baid				**6.75**	6.75	6.75			
Mrs. Mukulika Baid				**6.75**	6.75	6.75			
Mr. Devendra Raj Mehta				**6.75**	6.75	6.75			
Mr. Prakash Chand Surana				**6.75**	6.75	6.75			
Mr. Y. S. Choudhary				-	6.75	6.75			
Mr. Shailendra Raj Mehta				**6.75**	6.75	6.75			
Dr. Sandeep Bhargava				**6.75**	-	-			
Trade Receivable	**567.76**	**470.91**	**477.74**				**65.01**	**555.89**	**199.67**
Virtomed Healthcare							65.01	555.89	199.67
Ultra for Medical Products	567.76	470.91	477.74				-	-	-
Trade Payable / Payable for capital goods	**-**	**24.74**	**-**				**403.27**	**206.28**	**-**
Virtomed Healthcare							403.27	206.28	-
Ultra for Medical Products	-	24.74	-						

38 EARNINGS PER SHARE (EPS) Of ₹ 5/- EACH:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net profit after tax available for equity share holders (₹ In lacs)	**7,059.39**	5,512.53
Basic Earnings per Share		
Number of shares considered as Basic weighted average shares outstanding during the year	**88,226,880**	88,226,880
Basic Earnings per Share (in ₹)	**8.00**	6.25
Diluted Earnings per Share		
Weighted Average no. shares outstanding during the year	**88,226,880**	88,226,880
Effect of dilutive issue of stock options	**20,550**	21,250
Weighted Average no. shares outstanding for diluted EPS	**88,247,430**	88,248,130
Diluted Earnings per Share (in ₹)	**8.00**	6.25

39 EMPLOYEE BENEfIT: **(₹ In lacs)**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employers' contribution to provident fund * # * incuded in "contribution to provident fund and others" under employee benefit expenses (refer note no. 27)	**403.52**	365.41

excluding contribution to provident fund transferred to intangible capital work in progress ₹ Nil (PY ₹ 1.77 lacs) and to Research and Development Expenses ₹ 8.38 lacs (PY ₹ 8.59 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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Obligations at year beginning	**260.83**	194.65
Service Cost - Current	**45.29**	44.65
Service Cost - Past	**1.91**	-
Interest expenses	**19.17**	16.54
Acturial (gain) / Loss on PBO	**(36.78)**	20.38
Benefit payments	**(22.14)**	(15.39)
Addition due to transfer of employee	**-**	-
Obligations at year end	**268.28**	260.83

(ii) Change in plan assets

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
fair value of plan assets at the beginning of the period	**5.00**	**-**
Actual return on plan assets	**4.72**	-
Less- FMC Charges	**(0.36)**	-
Employer contribution	**150.00**	5.00
Benefits paid	**(22.14)**	-
fair value of plan assets at the end of the period	**137.22**	**5.00**

(iii) Assets and Liabilities recognized in the Balance Sheet **(₹ In lacs)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Present Value of the defined benefit obligations	**268.28**	260.83
Fair value of the plan assets	**137.22**	5.00
Amount recognized as Liability	**131.06**	**255.83**

(iv) Defined benefit obligations cost for the year:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost - Current	**45.29**	44.65
Service Cost - Past	**1.91**	-
Interest Cost	**18.79**	16.54
Expected return on plan assets	**-**	-
Actuarial (gain) loss	**-**	-
Net defined benefit obligations cost	**65.99**	**61.19**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net cumulative unrecognized actuarial gain/(loss) opening	**-**	-
Actuarial gain / (loss) for the year on PBO	**36.78**	(20.37)
Actuarial gain /(loss) for the year on Asset	**3.99**	-
Unrecognized actuarial gain/(loss) for the year	**40.77**	**(20.37)**

(vi) Investment details of Plan Assets

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
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:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount Rate per annum	**7.80%**	7.35%
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: **(₹ In lacs)**

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.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i) Retirement Age (Years)	**60.00**	60.00
ii) Mortality rates inclusive of provision for disability	**100% of IAL (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:

	Year ended				
	March 31, 2018	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
Defined benefit obligations	**268.28**	260.83	194.65	152.54	123.14
Plan assets	**(137.22)**	(5.00)	-	-	-
Deficit /(Surplus)	**131.06**	255.83	194.65	152.54	123.14

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

	Year ended March 31, 2018	Year ended March 31, 2017
Service Cost	**60.17**	54.74
Net Interest Cost	**10.23**	18.81
Expected contribution for next annual reporting perod	**70.40**	73.55

(xi) Sensitivity Analysis

The sensitivity of defined benefit obligations to changes in the weighted principal assumptions is :

	Change in Assumption		Increase in Assumption			Decrease in Assumption		
	March 31, 2018	**March 31, 2017**	**Impact**	**March 31, 2018**	**March 31, 2017**	**Impact**	**March 31, 2018**	**March 31 2017**
Discount Rate per annum	**0.50%**	0.50%	Decrease by	**(17.28)**	(17.23)	Increase by	**19.08**	19.11
Future salary increases	**0.50%**	0.50%	Increase by	**18.16**	19.37	Decrease by	**(16.59)**	(17.60)

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	**19.97**
b	1 to 2 Year	**4.14**
c	2 to 3 Year	**5.27**
d	3 to 4 Year	**4.37**
e	4 to 5 Year	**5.46**
f	5 to 6 Year	**5.20**
g	6 Year onwards	**223.88**

(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 ₹ 112.08 lacs form part of long term provision ₹ 99.15 lacs (PY ₹ 99.58lacs) and short term provision ₹ 12.93 lacs (PY ₹ 11.95 lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.

40 Borrowing cost of ₹ 8.79 Lacs (previous year ₹ 9.20 Lacs) (previous year ₹ 7.46 Lacs) have been included in capital work in progress.

41 SEGMENT INfORMATION:

<u>Description of segment and principal activity.</u>

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 reviews 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)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Medical Devices	**50,861.16**	45,436.52
	50,861.16	**45,436.52**

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

(₹ In lacs)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
With in India	**12,638.31**	13,476.48
Outside India	**38,222.85**	31,960.04
	50,861.16	**45,436.52**

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 subsidiary (other than financial instruments, investment) located outside India are as under:

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**	**Year ended April 01, 2016**
China	**570.55**	558.26	509.74

iv) None of the customers of the company individually account for 10% or more sale.

42 LEASES :

Operating leases

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

ii) Lease rental expenses in respect of operating leases: ₹ 167.68 lacs (previous year ₹ 148.20 lacs).

iii) The Company has taken certain premises on non-cancellation operating lease. The future minimum lease payments in respect of which as at 31st March 2018 are as follows:

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Payable not later than one year	**136.08**	41.86
Payable later than one year and not later than five year	**163.16**	-
Total	**299.24**	**41.86**

43 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of expenditure incurred on CSR ae as under:

Sr. No.		**Particulars**	**Year ended March 31, 2018**	**Year ended March 31, 2017**
1		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	**146.00**	140.19
2		Amount spent during the year on :		
	i	Construction / acquisition of any assets	**-**	-
	ii	On purposes other than (i) above	**183.59**	116.61
3	Unspent amount in CSR		**-**	23.58

4 The breakup of expenses included in amount spent are as under: **(₹ In lacs)**

Particulars		
Animal protection	**16.36**	23.70
On fooding	**3.60**	13.21
On promoting education	**105.52**	68.70
Social welfare	**2.00**	
Welfare for disabled persons	**38.02**	3.00
Promoting gender equality & empower women	**0.24**	
On promotion of healthcare	**17.86**	8.00

44 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.

The vesting period has not commenced yet.

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 upto 31st March 2016 but not vested as on 1st April 2016 NIL

b Details of employees stock options granted from 1st April 2016 to 31st March 2018 but not vested as on 31st March 2018.

financial Year (Year of Grant)	Number	financial year of vesting	Exercise price	fair value at grant date
2016-17	23500	Not yet vested	50	350
2017-18	Nil	--	--	--

c Movement of share options during the year

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of share options	Exercise Price	Number of share options	Exercise Price
Balance at the beginning of the year	**21,250**	**50**	-	-
Granted during the year	**-**	**-**	23,500	50
Forfeited during the year	**700**	**50**	2,250	50
Exercised during the year	**-**	**-**	-	-
Expired / Lapsed during the year	**-**	**-**	-	-
Balance at the end of the year	**20,550**	**50**	21,250	50

d Compensation expenses arising on account of share based payments **(₹ In lacs)**

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Share based payment expenses to employees	**18.01**	23.60
Total	**18.01**	**23.60**

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 voloatility of the underline shares, expected dividend yield and risk free interest rate for the term of option.

The model inputs for options granted during the year 31st March 2017 included

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.
No options were granted during the year ended 31 March 2018

45 ADDITIONAL INfORMATION PURSUANT TO SCHEDULE III Of THE COMPANIES ACT 2013:

Name of the entity	**Net Assets**		**Share in profit**	
	As % of consolidated net assets	**Amount**	**As % of consolidated profit**	**Amount**
Subsidiary Companies				
Poly Medicure (Laiyang) Co. Ltd, China	**1.39%**	**470.46**	**-1.20%**	**(84.47)**
US Safety Syringes Co., LLC, USA	**0.00%**	**(0.77)**	**-**	**-**
Associate Company				
Ultra for Medical Products, Egypt	-	-	1.76%	124.03
Minority Interest in US Safety Syringes Co., LLC, USA			0.00%	(0.26)

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.

46 STANDARDS ISSUED BUT NOT YET EffECTIVE

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 and certain amendments to existing Ind AS. These amendments shall be applicable to the company from 01st April, 2018.

a Issue of Ind AS-115 - Revenue from Contracts with Customers

Ind AS will supersede the current revenue recognition guidance. Ind AS provides a single model of accounting for revenue arising from contracts with customers based on identification and satisfaction of performance obligations.

b Amendments to existing issued Ind AS

The MCA has also issued amendments of following accounting standards :

i) Ind AS 21 - The effects of changes in foreign exchange rates

ii) Ind AS 40 - Investment properties

iii) Ind AS 12 - Income Tax

iv) Ind AS 28 - Investment in Associates and joint ventures, and

v) Ind AS 112 - Disclosure of Interest in Other Entities.

Application of above standards are not expected to have any significant impact on the company's financial statements.

47 Previous year figures have been re-grouped and re-arranged wherever necessary to confirm 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 : 10.05.2018	CFO	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
		Audited	Unaudited
3.	Reporting period for the subsidiary concerned	31st March 2018	31st March 2018
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	CNY	USD
		1 CNY = 10.56 INR	1 USD = 65.17 INR
5.	Share capital	824.94	260.68
6.	Reserves & surplus	(354.48)	(261.71)
7.	Total assets	1,126.96	-
8.	Total Liabilities	656.50	1.03
9.	Investments	-	-
10.	Turnover	1,421.71	-
11.	Other Income	0.63	-
12.	Profit before taxation	(84.47)	-
13.	Provision for taxation	-	-
14.	Profit after taxation	(84.47)	-
15.	Proposed Dividend	-	-
16.	% of shareholding	100%	75%

Part "B": Associates

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

(₹ in Lacs)

Name of Associates	Ultra For Medical Products Company (UMIC), Egypt
Latest audited Balance Sheet Date	31st December 2017
Shares of Associate held by the company on the year end	
No.	59,800
Amount of Investment in Associates	88.67
Extend of Holding %	23%
Description of how there is significant influence	Holding more than 20% of share capital and participation in decision making process.
Reason why the associate is not consolidated	N.A.
Net worth attributable to Shareholding as per latest audited Balance Sheet	426.11
Profit for the year	
Considered in Consolidation	124.03
Not Considered in Consolidation	426.64

GENERAL INFORMATION

1. Our Company was incorporated on March 30, 1995 under the laws of the Republic of India as 'Poly Medicure Limited' with a certificate of incorporation granted by the Registrar of Companies, Delhi and Haryana at New Delhi. We obtained a certificate of commencement of business on May 4, 1995.

2. The Registered and Corporate Office of our Company is located at 232B, 3rd Floor, Okhla Industrial Estate, Phase III New Delhi 110 020 India.

3. The CIN of our Company is L40300DL1995PLC066923.

4. Our Company Secretary and Compliance Officer is Avinash Chandra. His contact details are as follows:

   Mr. Avinash Chandra
   Address: 232B, 3rd Floor, Okhla Industrial Estate, Phase III, New Delhi 110 020, India
   E-mail: cs@polymedicure.com
   Tel No: +91 11 2632 1838

5. The authorized share capital of our Company as of the date of this Placement Document is ₹ 600,000,000, divided into 120,000,000 Equity Shares of ₹ 5 each. Our issued, subscribed and paid up equity share capital as of the date of this Placement Document is ₹ 441,234,900 divided into 88,246,980 Equity Shares of ₹ 5 each.

6. This Issue was authorized and approved by our Board of Directors on December 8, 2020 and approved by our Shareholders on January 14, 2021 through postal ballot.

7. Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations to list the Equity Shares on the NSE and the BSE, each dated February 15, 2021. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.

8. Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday between 10.00 A.M. to 1.00 P.M. (except public holidays) during the Issue Period at our Registered and Corporate Office.

9. Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

10. No change in the control of the Company will occur consequent to the Issue.

11. Except as disclosed in this Placement Document, there has been no material change in our financial condition since December 31, 2020, the date of the latest financial statements prepared and included herein.

12. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and pursuant to Rule 19A of the SCRR.

13. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue.

14. The Floor Price for the Equity Shares under the Issue is ₹ 550.79 per Equity Share which has been calculated in accordance with provisions of Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 4.86% on the Floor Price accordance with the approval of the shareholders accorded through their special resolution through postal ballot on January 14, 2021 and in compliance with the terms of Regulation 176(1) of the SEBI ICDR Regulations.

15. Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotments of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them, is set forth below:

S. No.	**Name of the proposed Allottee[#]**	**Percentage of the post-Issue share capital (%)[*]**
1.	SMALLCAP WORLD FUND, INC	2.17%
2.	MAX LIFE INSURANCE CO LTD A/C PARTICIPATING FUND	0.41%
3.	MAX LIFE INSURANCE COMPANY LIMITED	0.09%
4.	MAX LIFE INSURANCE COMPANY LIMITED A/C - ULIF01311/02/08LIFEHIGHGR104 - HIGH GROWTH FUND	0.20%
5.	MAX LIFE INSURANCE CO LTD A/C DIVERSIFIED EQUITY FUND (ULIF02201/01/20LIFEDIVEQF104)	0.09%
6.	LIGHTHOUSE INDIA III EQUITY INVESTORS LIMITED	3.73%
7.	GIRIK CAPITAL FUND - GIRIK MULTICAP GROWTH EQUITY FUND	0.24%
8.	UTI - FLEXI CAP FUND	0.92%
9.	UTI - HEALTHCARE FUND	0.09%
10.	SHINSEI UTI INDIA FUND (MAURITIUS) LIMITED	0.10%
11.	AL MEHWAR COMMERCIAL INVESTMENTS LLC - (WHITING)	0.18%
12.	ASHOKA INDIA EQUITY INVESTMENT TRUST PLC	0.23%
13.	INDIA ACORN FUND LTD	0.25%
14.	WHITE OAK INDIA EQUITY FUND	0.22%
15.	ABS DIRECT EQUITY FUND LLC - INDIA SERIES 1	0.05%
16.	ASHOKA INDIA OPPORTUNITIES FUND	0.81%
17.	WHITE OAK INDIA EQUITY FUND II	0.17%
18.	ABU DHABI INVESTMENT AUTHORITY - WAY	0.76%
19.	CAISSE DE DEPOT ET PLACEMENT DU QUEBEC - WHITE OAK CAPITAL PARTNERS PTE LTD	0.23%
20.	WHITE OAK INDIA SELECT EQUITY FUND	0.03%
21.	UTI INDIA DYNAMIC EQUITY FUND	0.31%

[*] *Based on the beneficiary position as on February 12, 2021 (adjusted for Equity Shares Allocated in the Issue). The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies and FPIs (investing through different sub-accounts having common PAN across such sub-accounts) wherein their respective DP ID and Client ID has been considered.*

Note:

Subject to Allotment in this Issue

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

____

Mr. Himanshu Baid
Designation: **Managing Director**

Date: February 18, 2021
Place: New Delhi

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under this Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

Mr. Himanshu Baid
Designation: Managing Director

I am authorized by the QIP Committee, a committee constituted by the Board of Directors of the Company, vide resolution dated February 15, 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter(s) subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Mr. Avinash Chandra
Designation: Company Secretary and Compliance Officer

Date: February 18, 2021
Place: New Delhi

POLY MEDICURE LIMITED

Registered and Corporate Office
232B, 3rd Floor, Okhla Industrial Estate, Phase III New Delhi – 110020, India
Website: www.polymedicure.com
Contact Person: Mr. Avinash Chandra
Address: 232B, 3rd Floor, Okhla Industrial Estate, Phase III New Delhi – 110020, India
E-mail: cs@polymedicure.com **Tel No:** +91 11 2632 1838

BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Church gate, Mumbai 400 020
Maharashtra, India

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

DOMESTIC LEGAL COUNSEL TO THE ISSUE

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Phase III
New Delhi 110 020, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS
As to United States law

Squire Patton Boggs (MEA) LLP
Dubai International Financial Centre (DIFC)
Burj Daman Office Tower, Level 10
P.O. Box 111 713, Dubai
United Arab Emirates

STATUTORY AUDITORS

M/s. M.C. Bhandari & Co.
204, 2nd Floor
Manisha Building
75-76, Nehru Place
New Delhi 110 019, India

Annexure A - Indicative format of the Application Form

POLY MEDICURE LIMITED	**APPLICATION FORM** **Name of the Bidder** ___________________ **Form. No.**______
Poly Medicure Limited incorporated in the Republic of India as a limited liability company under the Companies Act, 1956, as amended. **Corporate Identity Number**: L40300DL1995PLC066923 **Registered and Corporate Office**: 232B, 3rd Floor, Okhla Industrial Estate, Phase III New Delhi 110 020, India **Tel No.**: +91 11 2632 1838; **Website**: www.polymedicure.com; **Email**: investorcare@polymedicure.com	**Date:** ______

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 5 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING UPTO ₹[●] MILLION IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") BY POLY MEDICURE LIMITED (THE "COMPANY") (AND SUCH ISSUE THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ [●] PER EQUITY SHARE AND THE COMPANY MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("Rule 144A") and referred to in this Preliminary Placement Document as a "U.S. QIB") pursuant to applicable exemptions under the Securities Act, and (b) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the PPD (as defined below) as "QIBs". You should note and observe the solicitation and distribution restrictions contained in the sections titled "Selling Restrictions" and "Transfer Restrictions" in the accompanying preliminary placement document dated February15, 2021 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA NON-DEBT RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. PURSUANT TO THE FDI POLICY READ ALONG WITH PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON-DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
POLY MEDICURE LIMITED
Okhla Industrial Estate,
Phase III New Delhi 110 020

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Eligible Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund
SI- NBFC	Systemically Important Non-Banking Financial Companies	**OTH**	Others _____________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the PPD.
**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

Dear Sirs,

On the basis of the serially numbered PPD and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws and that we are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the Board. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Non-Debt Rules by the Central Government on April 22, 2020. We confirm that we are not an FVCI. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN and bank account details will be recorded by the Company in the format prescribed in terms of the PAS Rules (ii) in the event that any Equity Shares are Allocated to us in the Issue, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, National Capital Territory of Delhi and Haryana, at New Delhi (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company will disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations and other applicable laws.

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted separate Application Forms, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the price and amount to be Allotted under each such scheme. We undertake that we will sign and/or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals. We note that the Board is entitled, in consultation with ICICI Securities Limited and JM Financial Limited (the "**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**") and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form within the Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections "Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions" and "Transfer Restrictions" sections of the PPD; and (ii) the terms, conditions and agreements mentioned herein, are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of which is entitled to rely on and is relying on these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors"* therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the Memorandum of Association and Articles of Association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) a U.S. QIB purchasing the Equity Shares in transactions meeting the requirements of Rule 144A or another exemption from the registration requirements of the Securities Act, or (ii) located outside the United States and purchasing Equity Shares in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "Selling Restrictions" and "Transfer Restrictions" of the PPD.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
EMAIL ID			
FOR FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO.		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*
*** In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
REMITTANCE BY WAY OF ELECTONIC FUND TRANSFER BY [ ] P.M. (IST), [ ], 2021			
Name of the Account	Poly Medicure Limited – QIP Escrow Account	**Account Type**	Escrow Account
Name of Bank	HDFC Bank Limited	**Address of the Branch of the Bank**	Sector 35 SCF/6, Ashoka Enclave, Extension 1 Sector 35 Faridabad - 121003
Account No.	57500000615103	**IFSC**	HDFC0001733
Phone No.	935465905	**E-mail**	sonika.sachdeva@hdfcbank.com

The Application Amount should be transferred only by way of electronic fund transfers, towards the Escrow Account**.** Payment of the entire Application Amount should be made along with the Application Form on or before the closure of the Issue Period i.e. within the Issue Closing Date. All payments must be made in favor of "Poly Medicure Limited – QIP Escrow Account ". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

DEPOSITORY ACCOUNT DETAILS										
Depository Name	National Securities Depository Limited									Central Depository Services (India) Limited
Depository Participant Name										
DP – ID	I	N								
Beneficiary Account Number										(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue will be considered.

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)

BID AMOUNT	
(In Figures)	(In Words)

DETAILS OF CONTACT PERSON	
Name:	
Address:	
Tel. No:	Fax No:
Email: ____	

OTHER DETAILS	
PAN*	
Signature of Authorized Signatory *(may be either signed physically or digitally)***	

ENCLOSURES ATTACHED
☐ Copy of the PAN Card or PAN allotment letter
☐ FIRC
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the SEBI registration certificate as an Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF
☐ Copy of the SEBI registration certificate as a VCF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
☐ Copy of notification as a public financial institution
☐ Copy of the IRDAI registration certificate
☐ Certified true copy of power of attorney
☐ Others, please specify________________

**Please note that the Bidder should not submit the GIR number or any other identification number instead of the PAN as the application is liable to be rejected on this ground.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
Note 2: The Application Form is liable to be rejected if any information provided is incomplete or inadequate.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you, either in physical form or in electronic form or both, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.