Experience INDIAN HEALTHCARE

Poly Medicure Ltd.

POLYMED Medical Devices

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

12.10.2018

Scrip Code: - 531768

The Manager,
Bombay Stock Exchange Limited,
Department of Corporate Services,
Phirozee Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001.

Scrip Code:- POLYMED

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1-Block-G
Bandra Kurla Complex, Bandra(E),
Mumbai-400051.

Dear Sir,

Subject:- Submission of Annual Report for the financial year 2017-18 pursuant to regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2017-18 approved and adopted by the shareholders as per the provisions of the Companies Act, 2013, at the 23rd Annual General Meeting of the Company held on Wednesday the 26th September, 2018 at 10.00 a.m. at Alpha Hall, 2nd Floor, National Co-operative Union of India, 3, Siri Institutional Area, August Kranti Marg, New Delhi-110016.

The entire Annual Report is also available on the website.

Please take the same in your records.

Thanking You,

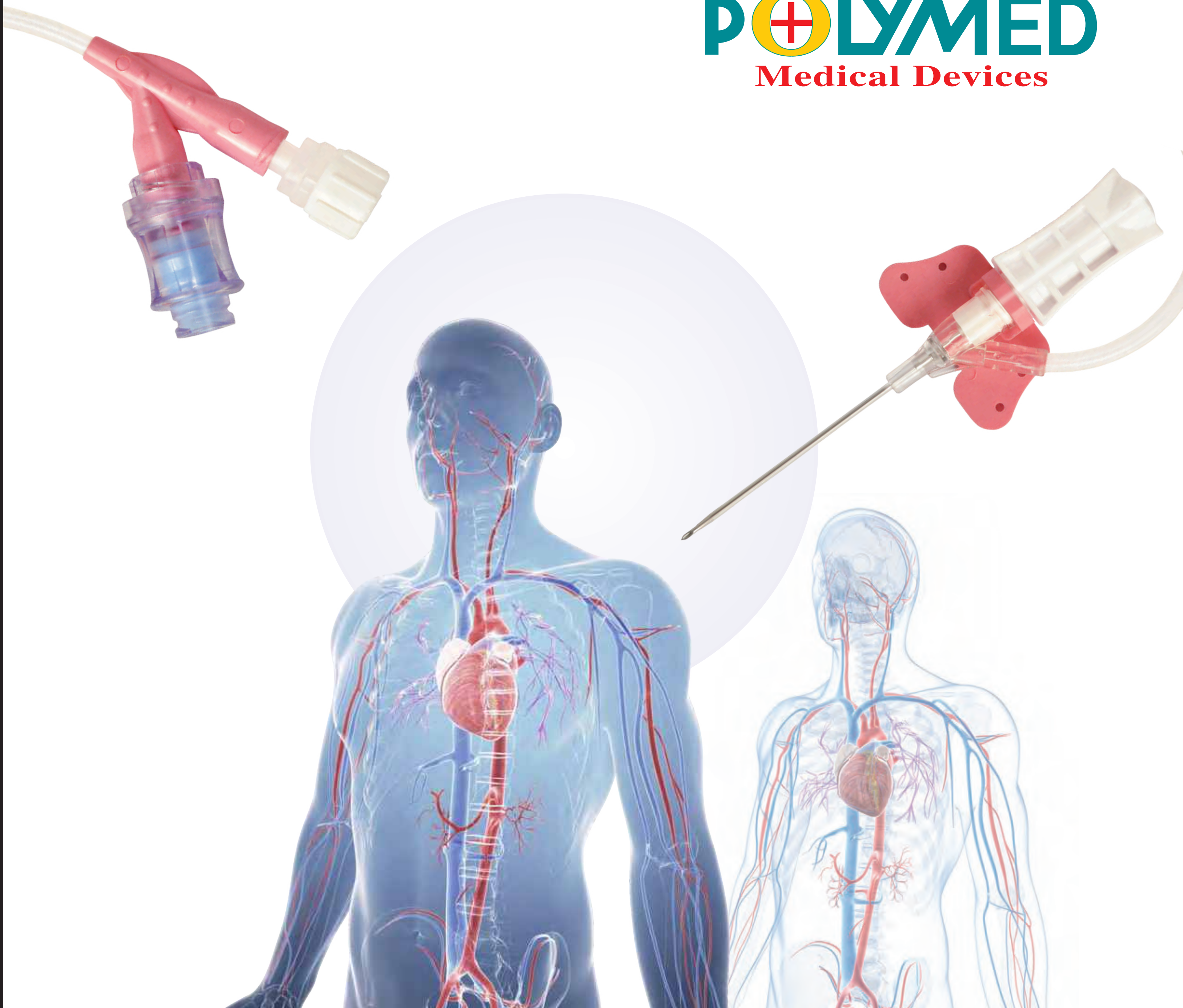
For Poly Medicure Limited

Avinash

Avinash Chandra
Company Secretary

Encl: as above

POLYMED
Medical Devices



Poly Medicure Limited
Annual Report 2017-18

Corporate Information

Board of Directors

Chairman
Devendra Raj Mehta

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

Non-Executive Directors
Jugal Kishore Baid
MukulikaBaid

Additional Director
Alessandro Balboni

Managing Director
Himanshu Baid

Executive Director
Rishi Baid

Company Secretary
Avinash Chandra

Chief Financial Officer
J. K. Oswal

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

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

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

Secretarial Auditors
M/s. B.K. Sethi & Co.
New Delhi

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

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

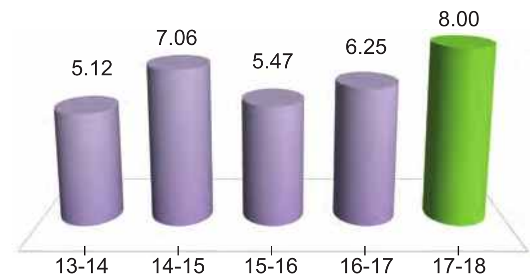
AGM Venue
Alpha Hall, 2nd Floor, National Co-operative Union of India, 3, Siri Institutional Area,
August Kranti Marg, New Delhi - 110016

Inside this Report

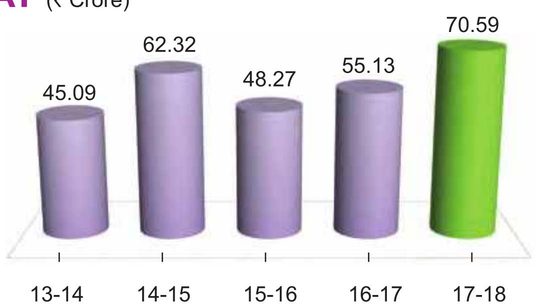
Key Performance Indicators (Consolidated)

Revenue (₹ Crore)

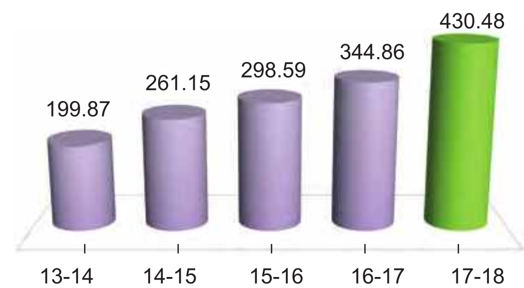
EPS (₹) Adjusted with bonus



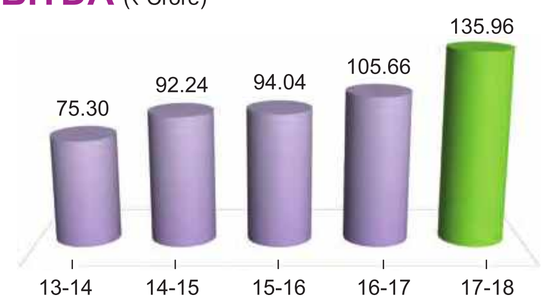
PAT (₹ Crore)



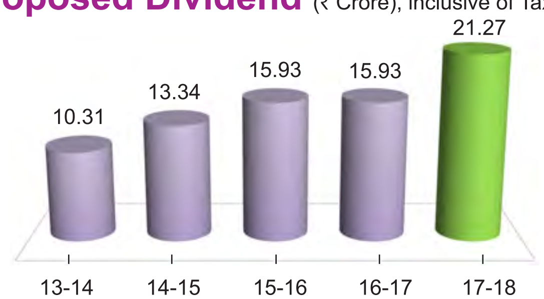
Gross Fixed Assets (₹ Crore)



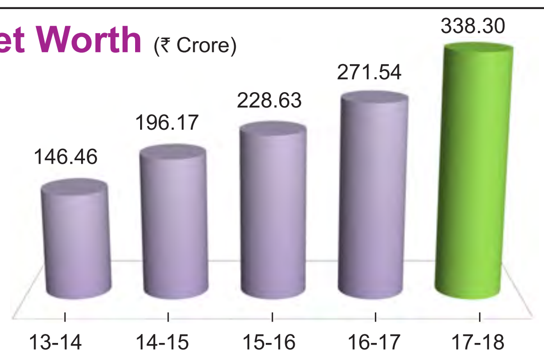
EBITDA (₹ Crore)



Proposed Dividend (₹ Crore), inclusive of Tax



Net Worth (₹ Crore)



Market Capitalisation (₹ Crore)

Note : Details of Financial Year 2017-18 & 2016-17 are as per IND-AS and Financial Year 2013-14 to 2015-16 are as per IGAAP

Awards and Recognitions

Hon'ble Prime Minister Mr. Narendra Modi interacted with 212 young entrepreneurs at the “Champions of Change” initiative organized by NITI Aayog, Government of India at Pravasi Bhartiya Kendra, New Delhi on August 17, 2017. Mr. Himanshu Baid, Managing Director was invited as a representative of Disposable Medical Device Industry in this program.

Polymed received Clarivate Analytics India Innovation Award 2018 under Corporations Category on 16th May, 2018.

Polymed received Top Exporter Award of Plastic Medical Disposables continuously for 5 years, from The Plastics Export Promotion Council (sponsored by Department of Commerce, Government of India).

Mr. Himanshu Baid Managing Director was invited in Make in India 2-Day Event in Stockholding Sweden on 12th-13th October, 2017, with the exploring synergies and avenues of partnership between Indian and Swidesh Medtech Sector.

Participation in Various Exhibitions outside India

Medica 2017, Germany

Hospitalar Show 2017, Brazil

FIME 2017, Miami, USA

Arab Health 2018, Dubai

Training

Overseas Business Partner Training in Middle East

Overseas Business Partner Training in Europe

CMEs Conducted in Various Hospitals

Fortis Hospital, Gurgaon

Max Hospital, Mohali

Heart Hospital, Thrissure

Jivrajmehta Hospital, Ahmedabad

Participation in various exhibitions in India

Conference at IPS, Mumbai

ISACON, Kolkata

Manufacturing Facilities


Unit I, Faridabad, Haryana


Unit II, Faridabad, Haryana

Unit III, Haridwar, Uttrakhand

Unit IV, SEZ Jaipur, Rajasthan

Unit V, IMT, Faridabad, Haryana
(New Production Facility)


Ultra for Medical Products Company
(ULTRA MED), Egypt (Associate)

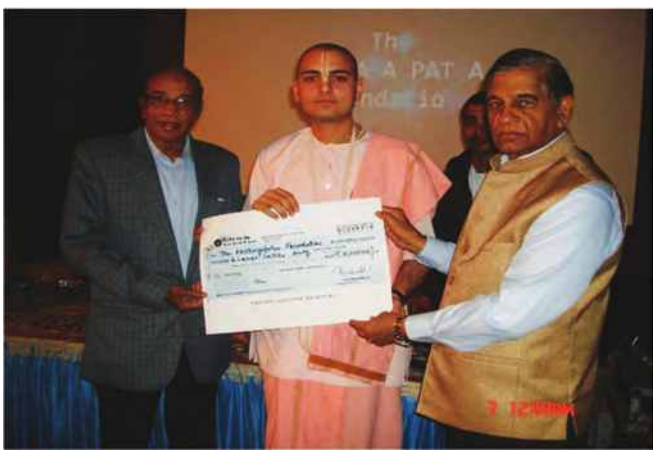
Poly Medicure (Laiyang) Co. Ltd.
(100% Subsidiary in China)

Plan 1 Health S.R.L.
(step-down subsidiary in Italy)

Highlights of CSR Initiatives and Projects

Distribution of Water Bottles for safe drinking Water

Distribution of School Essentials to 2050 children in Dausa



Donation to Akshay Patra Foundation

Donation for School Essentials

Distribution of School Essentials at Mahawatpur, Ballabgarh

Health and Hygiene Training under “Bala” Project

Financial Highlights (Standalone)

(₹ in lacs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue from Operations (Net)	**50,969.93**	44,635.32	40,015.44	37,847.82	31,709.16
Total Revenue	**52,406.88**	45,970.78	40,853.94	38,669.89	31,815.36
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	**13,425.76**	10,571.18	9,284.65	9,085.46	7,369.56
Depreciation and Amortisation	**2,840.66**	2,295.51	2,018.79	1,808.99	1,351.06
Exceptional Income	**-**	-	-	1,957.80	991.46
Profit For the Year (PAT)	**7,019.83**	5,619.93	4,730.74	6,101.72	4,303.21
Equity Dividend %*	**40%**	30%	30%	25%	20%
Dividend Proposed (including tax)	**2127.24**	1,592.82	1,592.82	1,333.60	1,031.11
Equity Share Capital	**4,411.34**	4,411.34	2,205.67	2,205.67	2,203.32
Reserves and Surplus	**29,039.90**	22,506.33	20,177.89	16,991.29	12,226.21
Net Worth	**33,451.24**	26,917.67	22,383.56	19,196.96	14,429.95
Gross PPE	**41,728.70**	33,347.17	28,845.98	25,214.44	19,369.33
Net PPE	**25,608.79**	20,049.12	17,725.00	16,065.96	12,042.59
Total Assets	**55,463.35**	44,886.01	37,585.03	35,445.67	28,248.21
Number of Employees (No.)	**1926**	1661	1594	1586	1478

Key Indicators

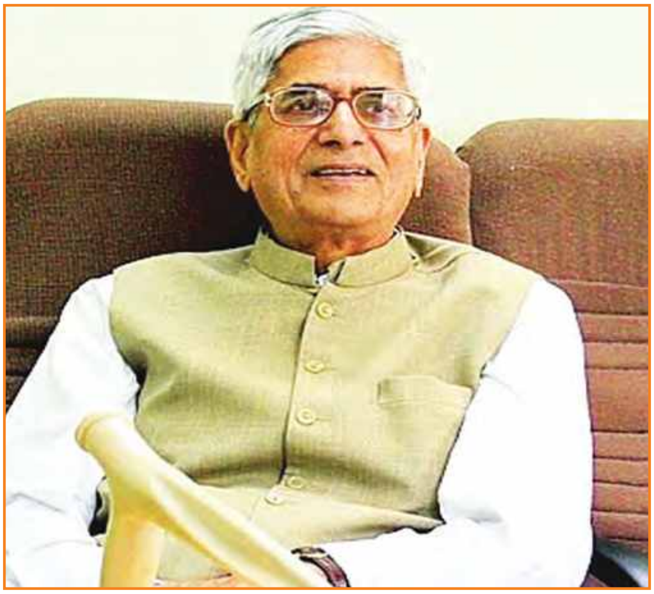
Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Earnings Per Share - (₹)*	**7.96**	6.37	5.36	6.92	4.88
Cash from Operations per share (₹)*	**8.55**	6.24	7.04	7.17	7.36
Book Value Per Share - (₹)*	**37.92**	30.51	25.37	21.76	16.36
Debt : Equity Ratio	**0.38:1**	0.36:1	0.35:1	0.40:1	0.46:1
EBDIT/ Net Turnover %	**25.62%**	23.00%	23.05%	23.79%	23.52%
Net Profit Margin %	**13.39%**	12.23%	11.74%	15.98%	13.73%
RONW %	**20.99%**	20.88%	21.13%	31.78%	29.82%

* Adjusted for issue of Bonus Share in FY 2013-14 & 2016-17 in the ratio of 1:1

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

Note : Details of Financial Year 2017-18 & 2016-17 are as per IND-AS and Financial Year 2013-14 to 2015-16 are as per IGAAP

Letter From The Chairman



Dear Shareholders,

From Scaling Business to Scaling Progress, POLYMED has indeed come a long way in its growth trajectory. Armed with a strong core of excellence and expertise, and led by a visionary focus on the future which looks beyond tomorrow to see new frontiers of growth, the Company has created several notable benchmarks of excellence in performance.

I am happy to state that the Company continued to report encouraging performance, across its business segments, with the export sales and the domestic business once again steering its growth.

This positive performance has been due to the commitment, relentless efforts and teamwork of our invaluable human resources which resulted in several milestone achievements, including the operationalisation of our new manufacturing facility in IMT, Faridabad and the successful output from the same.

Further, I would like to welcome, Mr. Alessandro Balboni as Non Executive Director. He has a rich experience of 18 years in leading healthcare industry and sales. He has worked as Chairman and CEO at Delta Med SPA. He has worked as Chairman and CEO at DELTA MED NORTH AMERICA INC. He has also worked as Managing Director at PAUL HARTMANN SPA. He is the self-motivated and responsible individual with forward thinking and strategic ability. I believe that his work will contribute to the enhancing and customer base of the Company in European markets.

During the Year, your Company has achieved net sales of ₹ 521.68 Crores as against the net sales of ₹ 461.86 Crore in the previous financial year. EBITDA improved to ₹ 135.96 Crores as from ₹ 105.66 Crores in the preceding year. During the same period, net profit after tax expended to ₹ 70.59 Crores from ₹ 55.13 Crores in the previous year. This was made possible due to the continuous efforts of all the stakeholders under the leadership of the experienced Board of Directors.

Your Company marked their strong presence in the industry with various achievements. Hon'ble Prime Minister Mr. Narendra Modi interected with 212 young entrepreneurs at the “Champions of Change” initiative organized by NITI Aayog, Government of India at Pravasi Bhartiya Kendra, New Delhi on August 17, 2017. Mr. Himanshu Baid, Managing Director was invited to represent the Medical Device Industry in this programme.

Mr. Himanshu Baid, Managing Director was also invited to “Make in India” event in Stockholm, Sweden, to explore synergies and avenues of partnership between Indian and Swedish in Medical Technology sector.

Coming year would be challenging as your Company would be committed to invest more in the global markets to secure a larger share of the Market. The Company is fairly committed to expand its presence in the domestic markets through deeper engagement with clinical, doctors, nurses and all other stakeholders.

The government has overhauled the regulatory framework for medical devices in 2017 and has brought it at par with international norms by introducing the concept of 'risk-based' regulation. The Government has introduced various measures to promote research, development, manufacturing and import of medical devices and has launches schemes to give preference to locally manufactured products. As still over 70% of the Medical Devices are imported, your company has a great opportunity to invest more in local manufacturing & increase its market share.

Your Company will continue to invest in products which will meet highest quality standards and benchmarked with the best in the world.

Going forward, I believe that further opportunities will emerge in a variety of business segments from our core strengths and I also firmly believe that POLYMED, with its growing focus on Research& Development programme across its diverse products will be in a position to harness those opportunities for greater business growth.

Further, with its highly committed and structured Corporate Social Responsibility (CSR) programme, the Company will continue to create new benchmarks in social service excellence to drive holistic value not only to its stakeholders but to the community at large.

On this positive note, let me thank, on behalf of the Board members, all our stakeholders who continue to repose their trust in the Company's ability to deliver growth and value not just for today, but for tomorrow as well.

New Delhi
1st August 2018

D. R. Mehta
Chairman

Letter from Managing Director

Dear Shareholders,

Your Company from Last 5 years has been the Top exporter of Medical devices from India and now poised to also gain a significant market share in India in coming years. Your company's products are already reaching every part of the country and it's in the process of developing supply chain partners to ensure availability of products across major hospitals and clinics in the Country. The company last year formed 4 verticals in Domestic business to focus more deeply in clinical application in each therapeutic area. The Company also hired various specialists in each vertical to expand the range and reach. The Company will continue to invest in areas where we see opportunities in innovating and manufacturing high class medical devices at affordable prices.

Financial Review and Business Prospects

It gives me the immense pleasure to share with you the financial performance of your Company for the financial year ending March 31, 2018.

Your Company has achieved net sales of ₹ 521.68 Crores as against the net sales of ₹ 461.86 Crores in the previous financial year. EBITDA improved to ₹ 135.96 Crores as from ₹ 105.66 Crores in the preceding year.

The Company's wholly owned subsidiary Poly Medicure B.V., Netherlands has acquired 82 % stake in Plan1 Health s.r.l., an Italy based manufacturing Company. This acquisition gives our Company access to new technology in Oncology & Vascular Access devices and opens up more opportunities with the worldwide customer base. Plan1 Health products adhere to highest quality standards in Europe and are synergetic with Company's products.

Further Your Company is also to enhancing the customer base for existing products in India. R&D team of the Company keeps on updating the products with new and innovative technology to make product safer and of high quality. The Company started manufacturing operations at its new plant at IMT, Faridabad from 28th February, 2018. The new plant will focus on Renal Care & Vascular Access products which will mainly be import substitutes. The full operational capacity of the plant will be achieved in next 12-18 months.

All the legal, Statutory, Regulatory, Secretarial requirements are complied in the true letter and spirit as and when occurs by the legal and secretarial team of the Company to avoid any unwanted obligations on the Company from such authorities.

Dividend Outlook

Continuous Profit sharing in the form of dividend is the glorious tradition of the Company. This year also the Company achieved good profitability and continued the practice of rewarding the shareholders with handsome dividend. In keeping with the Company's tradition, your directors are happy to recommend a dividend of ₹ 2.00 per equity share of the face value of ₹ 5.00 each for the financial year ended 31st March, 2018.

Business Goals and Future Outlook

Medical Technology can be instrumental in shaping healthcare for all in India as it provides the opportunity to leapfrog over India's longstanding healthcare challenges – accessibility, affordability and quality.

The Company is now a well known brand in the Healthcare Industry for providing the highest quality of medical devices at affordable prices in India and abroad, which covers more than 100 countries.

Mass production technologies are used to optimize manufacturing costs. Company has invested heavily in new manufacturing technologies like over molding, residue free bonding, solvent free joining and assembly technologies. We have invested in Automating our manufacturing processes and production lines to the core by deploying additive manufacturing and robotics. We will also promote their adoption across different verticals.

Most of the processes and core technologies have been developed in house with the help of our strong internal resources; we have been continuously developing the newer technologies since our inception. This year Company is introducing new products in Vascular Access and Renal Care.

Major initiatives were taken by the Government of India in last 1 year to promote Indian Medical Devices industry:-

1. Ayushman Bharat Programme:
   - Covering more than 10 Crore families upto ₹ 5 lacs insurance cover per family per year
   - Intent to cover over 1300 procedures
   - Cashless Plan

2. Development of infrastructure: Medical Devices Parks
   Kalam Institute of Health Technology – is being setup at AMTZ Visakhapatnam – will be India's first institute dedicated to medical devices technologies with 100% financial support (USD 125 million) from Department of Biotechnology (DBT).

3. Favorable Regulations
   "New Medical Devices Rules 2017" which has been implemented from January 1, 2018 which have
   - Eased norms for obtaining license and conducting clinical trials
   - Reduced manufacturer-regulator interface by prompting digital platform.

4. "National Health Policy 2017" Aiming to provide healthcare in an assured manner to all.
   - The government aims in shifting focus from "sick-care" to "wellness", by promoting prevention and well-being.
   - It intends on gradually increase public health expenditure to 2.5% of the GDP in next few years.

All these initiatives will act as a catalyst to grow the domestic business much faster.

Acknowledgement

Over the last two decades, Polymed has continued to grow and evolve, creating value by building competitive global scale businesses and delivering increasing shareholder value. Over the past 3-4 years, we have made significant investments in new plants, thus creating organic growth platforms for our business.

I would like to thank all my colleagues for their dedication, innovation and hard work. By creating new benchmarks in the businesses we operate in, our team is delivering on our mission to generate sustainable value for our stakeholders. I would like to place on record my sincere appreciation to the Board of Directors for their guidance. I would like to express my gratitude to all our stakeholders for their continuing faith in POLYMED.

With Best Regards,

New Delhi
1st August 2018

Himanshu Baid
Managing Director

NOTICE

Notice is hereby given that the 23rd Annual General Meeting (AGM) of the members of "**Poly Medicure Limited**" will be held on Wednesday, the 26th September, 2018 at 10:00 a.m. at Alpha Hall, 2nd Floor, National Co-operative Union of India, 3, Siri Institutional Area, August Kranti Marg, New Delhi- 110016, to transact the following business:

Ordinary Business

1. To receive, consider and adopt
   - the Audited Standalone Financial Statement for the Financial Year ended 31st March, 2018 together with the reports of the Board of Directors and Auditors thereon; and
   - the Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2018 together with the report of Auditors thereon.
2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2018.
3. To appoint a Director in place of Shri Jugal Kishore Baid (DIN: 00077347) who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N), as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

Special Business

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

   To appoint Shri Alessandro Balboni (DIN No. 08119143) as a Non-Executive Director

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 read with Schedule IV and other pplicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Shri Alessandro Balboni (DIN No. 08119143) who was appointed as an Additional Director of the Company with effect from 10th May, 2018 under Section 161 of the Act, whose term of office expires on the date of this Annual General Meeting, and the Company has received a notice from a shareholder proposing his candidature for appointment as a Non-Executive Director under Section 160 of the Companies Act 2013 be and is hereby appointed as a Director of the Company and whose office shall be liable to retire by rotation."
6. To consider and if thought fit, to pass with or without any modification(s) the following Resolution as a **Special Resolution:**

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

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

   a) **Name of the Related Party and relationship**: M/s Vitromed Healthcare, Jaipur, the partnership firm.
      - Shri Jugal Kishore Baid and Shri Rishi Baid, directors of the Company are also partner in the firm and Shri Vishal Baid, partner of the firm is the relative of directors of the company.
      - Smt. Mukulika Baid and Shri Himanshu Baid, directors of the company are also relatives of the partners of the firm.
      - M/s Polycure Martech Limited is a partner of the firm in which directors of the Company and their relatives are the members.

   b) **Duration & Particulars of the Contract**: 3 (Three) Years i.e. F.Y. 2018-19 to 2020-21.

   c) **Material Term(s) of the Contract or arrangement(s) including the value:** The Company agrees to outsource the manufacture of some of the Medical Devices and their components to M/s Vitromed Healthcare (the firm) and the firm agrees to manufacture the same on job work basis. The maximum amount of the contract shall be ₹ 60 crores in FY 2018-19, ₹ 75 crores in FY 2019-2020 and ₹ 90 Crore in FY 2020-2021.

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

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

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

g) **Any other information:** Nil"

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

Ratification of Remuneration to M/s. Jai Prakash & Company, Cost Accountants appointed as Cost Auditors of the Company for the Financial Year 2018-19.

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, payment of Remuneration of ₹ 45,000/- (plus applicable taxes**)** to M/s. Jai Prakash & Company, Cost Accountants, who were appointed by the Board of Directors in their Meeting held on 1st August, 2018 for conducting the audit of cost records of the Company for the financial year ending 31st March 2019, be and is hereby approved and ratified;

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

By order of the Board
Avinash Chandra
Company Secretary

Date: 1st August, 2018
Registered Office:
232-B, 3rd Floor, Okhla Industrial Estate,
Phase III, New Delhi -110020.
CIN: L40300DL1995PLC066923

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 23RD ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OFTHE MEETING.
2. A PERSON SHALL ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.
3. Details required under the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") and Regulation 36 of SEBI (Listing and Disclosure Requirements) Regulations, 2015 including brief profile of Directors seeking appointment/re-appointment, are annexed hereto.
4. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution / authorisation, as applicable.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
7. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, 20th September, 2018 to Wednesday, 26th September, 2018, (both days inclusive) for the purpose of payment of dividend, if any, approved by the members.
8. The dividend, if declared at the ensuing Annual General Meeting, would be paid/dispatched on or after 27th September, 2018 to those persons or their mandates:
   a) Whose names appear as beneficial owners as at the end of the business hours on 19th September, 2018 in the list of beneficial owners to be furnished by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Limited (CDSL) in respect of shares held in electronic mode, and
   b) Whose names appear as Members in the Register

of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / its Registrar and Transfer Agents on or before 19th September, 2018.

9. Pursuant to the provisions of the Companies Act 1956, the unpaid / unclaimed dividend for the financial year 2009-10 has been transferred by the Company to the "Investor Education and Protection Fund"(IEPF) established by the Central Government.

   Pursuant to the provisions of the Companies Act 1956, as amended, dividend for the Financial Year 2010-11 and the dividend for the subsequent years, which remains unpaid or unclaimed for a period of 7 years, will be transferred to IEPF. Members who have so far not encased the dividend warrant(s) For the Financial year 2010-11 are requested to make their claim to the company / Registrar and Transfer Agents on or before due date of transfer, failing which the unpaid / unclaimed amount will be transferred to the IEPF. It may also be noted that once the unpaid / unclaimed dividend transferred to the IEPF as above, no claim shall lie against the Company.

10. Members are requested to:
    a) intimate to the Company's Registrar and Transfer Agents, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form,
    b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form,
    c) quote their folio numbers/Client ID/ DP ID in all correspondence, and
    d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

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

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

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

14. The Company has been maintaining, inter-alia, the following statutory registers at its Registered Office at 232-B, Third Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020, which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others as specified below:
    a) Register of contracts or arrangements in which directors are interested under section 301 of the Companies Act, 1956 and section 189 of the Companies Act, 2013, on all working days during the business hours. The said registers shall also be produced at the commencement of the meeting to a person having the right to attend the meeting.
    b) Register of directors' shareholding under Section 307 of the Companies Act, 1956 and register of directors and KMPs and their shareholding under section 170 of the Companies Act, 2013 on all working days during business hours. The said registers shall be kept open for inspection at the Annual General Meeting of the Company and shall be made accessible to a person for attending the meeting.

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

16. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer

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

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

18. The Annual Report of the Company for the financial year 2017-18, circulated to the Members of the Company, is also available on the Company's website viz. www.polymedicure.com.

19. **VOTING THROUGH ELECTRONIC MEANS: I**n terms of the provisions of Section 108 of the Companies Act, 2013 ("the Act") read with rule 20 of the Companies (Management and Administration) Rule, 2014 (hereinafter called "the rules" for the purpose of this section of the Notice) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on the Book Closure date 26th September, 2018 (end of day) being the cut-off-date (Record Date for the purpose of Rule 20(3) (vii) of the rules) fixed for determining voting rights of members, entitled to participate in the e-voting process of Rule 20(3) (vii) of the rules fixed for determining voting rights of members, through the e-voting platform provided by NSDL.

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

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

Item No. 5

Regularization of appointment of Shri Alessandro Balboni.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company have appointed Shri Alessandro Balboni as an Additional Director (Non-Executive) of the Company, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

As an Additional Director, Shri Alessandro Balboni holds office till the date of the AGM and is eligible for being appointed as a Non Executive Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 ("the Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Shri Alessandro Balboni as a Director of the Company. The Company has also received a declaration from Shri Alessandro Balboni is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Shri Alessandro Balboni fulfils the conditions for his appointment as a Non-Executive Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Alessandro Balboni holds a bachelor degree in Engineering and Master of Science, degree in Business Administration from University of Bologna. He has around 18 years of experience in leading healthcare Industry and Sales in Europe.

Shri Alessandro Balboni is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Shri Alessandro Balboni and his relatives, are in anyway, concerned or interested in the said resolution.

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

Item No. 6

Approval for Job Work contract with M/s.Vitromed Healthcare, Jaipur, for the period of three years.

In the light of provisions of the Companies Act 2013, the Board of Directors has approved the proposed transactions along with annual limits that the company may enter into with its related party.

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

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

c. **Nature of Relationship**:

- Shri Jugal Kishore Baid and Shri Rishi Baid, directors of the Company are also partner in the firm and Shri Vishal Baid, partner of the firm is the relative of directors of the company.
- Smt. Mukulika Baid and Shri Himanshu Baid, directors of the Company are also relative of the partners of the firm.
- M/s Polycure Martech Limited is a partner of the firm in which directors of the Company and their relatives are the members.

d. **Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement**: The Company agrees to outsource the manufacture of some of the Medical Devices and their components to M/s Vitromed Healthcare (the firm) and the firm agrees to manufacture the same on job work basis. Commencement of the Contract is 01st October, 2018. The maximum amount of the contract shall be ₹ 60 crores in FY 2018-19, ₹ 75 crores in FY 2019-2020 and ₹ 90 Crore in FY 2020-2021.

e. **Any Other Information**: Nil

Audit Committee and the Board of Directors of your Company has approved this item in their Meeting held on 1st August, 2018 and recommends the Resolution for the approval of members of the Company as Ordinary Resolution.

Item No. 7

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

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Jai Prakash & Company, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019.

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

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice, to ratify the remuneration payable to the Cost Auditors for the financial year ending 31st March 2019.

None of the Directors and Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

By order of the Board
Avinash Chandra
Company Secretary

Date : 1st August, 2018

Registered Office :
232-B, 3rd Floor,
Okhla Industrial Estate,
Phase III, New Delhi -110020.

CIN: L40300DL1995PLC066923
E-mail: investorcare@polymedicure.com

Annexure

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 on General Meeting)

Name of the Director	**Shri Jugal Kishore Baid (DIN: 00077347)**	**Shri Alessandro Balboni (DIN: 08119143)**
Date of Birth and Age	30th March, 1942, 76 years	25th October, 1961, 57 years
Date of Appointment	30th March, 1995	10th May, 2018
Qualifications	Mechanical Engineer	BA Engineering Master of Science, degree in Business Administration from University of Bologna
Expertise in Specific functional areas	Around 49 years of experience in Molding Technology	Around 18 years of experience in leading healthcare Industry and Sales in Europe
No. of Board Meetings attended during the Financial Year 2017-18	4 (Four)	Not Applicable
Remuneration last drawn	He is not entitled for any remuneration from the Company.	Not Applicable
Relationship with any Director(s) and Key Managerial Personnel of the Company	Shri Jugal Kishore Baid, is a promoter director and related to Shri Himanshu Baid, Managing Director, Shri Rishi Baid, Executive Director, Smt. Mukulika Baid, Director and Shri Vishal Baid, President (Corporate Sales & Marketing).	Not related to any other Directors and Key Managerial Personnel of the Company
Directorship of other Companies as on 31st March, 2018	M/s. Polycure Martech Limited	None
Chairmanship(s)/Membership(s) of Committees of other	None	None
Companies as on 31st March, 2018 Number of Shares held in the Company	22,79,376 (2.58 %)	Nil

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

DIRECTORS' REPORT

Your Directors take immense pleasure in presenting the 23rd Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March, 2018.

Financial Results

(₹ In lacs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations (Net)	**50,969.93**	44,635.32	**52,167.79**	46,186.10
Add: Other Income	**1,436.95**	1,335.46	**1,437.58**	1,335.50
Total Revenue	**52,406.88**	**45,970.78**	**53,605.37**	**47,521.60**
Profit before Finance Cost, Tax and Depreciation (EBITD)	**13,425.76**	10,571.18	**13,472.00**	10,507.02
Less: Depreciation Expenses	**2,840.66**	2,295.51	**2,924.40**	2,372.55
Less: Financial Costs	**949.51**	649.38	**996.48**	674.29
Profit Before Tax (PBT)	**9,635.59**	7,626.29	**9,551.12**	7,460.18
Less: Tax provision	**2,615.76**	2,006.36	**2,615.76**	2,006.36
Profit after Tax	**7,019.83**	5,619.93	**6,935.36**	5,453.82
Add: Share of Profit from Associates	**-**	-	**124.03**	58.71
Net Profit for the Year	**7,019.83**	5,619.93	**7,059.39**	5,512.53
Add: Balance brought forward	**11,314,24**	9,521.66	**11,361.73**	9,676.55
Profit available for appropriation	**18,334.07**	15,141.59	**18,421.12**	15,189.08

Briefly, during the year under report, the Company's consolidated total income increased to ₹ 53,605.37 lacs from ₹ 47,521.60 lacs in the previous year, registering a growth of 12.80%. EBIDT improved to ₹ 13,472.00 lacs from ₹ 10,507.02 lacs in the previous year which translates into a rise of 28.22 %. Profit before Tax (PBT) is ₹ 9,551.12 lacs as against ₹ 7,460.18 lacs in previous year which translates into a rise of 28.03 %.

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

Share Capital

During the year under report no further capital was issued.

Dividend

In keeping with the Company's tradition of rewarding the Shareholders, your directors are happy to recommend a dividend of ₹ 2/- per equity share of the face value of ₹ 5/- each for the financial year ended on 31st March, 2018. The proposal is subject to the approval of the shareholders at the forthcoming Annual General Meeting. The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 2127.24 lacs including dividend tax. The dividend would be payable to all Shareholders whose names appear in the Register of Members and in respect of shares held in dematerialized form, to the members whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited on book closure date.

Transfer to Reserves

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

Subsidiaries and Associate

The subsidiary companies performed as follows:

- **Poly Medicure (Laiyang) Co. Ltd, China** - The wholly owned subsidiary Company has achieved a turnover of ₹ 1,421.71 lacs for the year ending 31st March, 2018 against ₹ 1,550.77 lacs in the previous year. The Performance during the year was impacted due to low order book.

- **US Safety Syringes Co., LLC, USA** – The business operation in the Company has been shut down and the process for winding up the Company is in progress.

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

The Company has one Associate in Egypt, viz.

Ultra for Medical Products Company (ULTRA MED), Egypt – The Associate has achieved sales of ₹ 6,183.26 lacs during the year end December 2017, against ₹ 3,284.36 lacs in the previous year.

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

During the Year under review, the Company has transferred ₹ 89,385 lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection fund (IEPF) in compliance with Section 205C of the Companies Act, 1956, read with Investor Education & Protection Fund (Awareness and Protection of Investors) Rules, 2001. The said amount represents the dividend for the financial year 2009-10 which remained unclaimed by the shareholders of the Company for a period of seven years from due date of payment.

Directors and Key Managerial Personnel

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

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

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

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

Board Evaluation

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

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

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

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

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

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

Secretarial Standards

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

Directors' Responsibility Statement

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

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
d) the directors have prepared the annual accounts on a going concern basis.
e) the directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively.
f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Policy on Directors' Appointment and Remuneration

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

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

Extract of the Annual Return

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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

At the 19th Annual General Meeting held on September 23, 2014 M/s. Doogar & Associates, Chartered Accountants, (Firm Registration No.- 000561N), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 24th Annual General Meeting of the Company to be held in the year 2019. In terms of the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Doogar & Associates, Chartered Accountants, (Firm Registration No.- 000561N), as Statutory Auditors of the Company, is being placed for ratification by the shareholders at the ensuing Annual General Meeting.

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

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

Cost Auditor

The Board had appointed M/s. Jai Prakash & Co., Cost Accountants as Cost Auditor for the financial year 2017-18. M/s. Jai Prakash & Co., Cost Accountants have been re-appointed as Cost Auditor for conducting the audit of cost records of the Company for the financial year 2018-19 and approval of the members is being sought for ratification of their remuneration.

Secretarial Auditor

The Board of Directors have appointed M/s. B.K. Sethi & Company, (Certificate of Practice No.- 913), Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed this Report as **Annexure – 3**.

The Board of Director have appointed M/s. B.K. Sethi & Company, Company Secretaries in Practice to conduct Secretarial Audit for the financial year 2018-19.

Particulars of Loans, Guarantees or Investments under Section 186

The Particulars of Loans, Investments and guarantees made/ given by the Company, under Section 186 of the Companies Act, 2013, are furnished in **Annexure - 4** and forms part of the Report.

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

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

Corporate Social Responsibility
As per the Companies Act, 2013, all companies having a net worth of ₹ 500 Crore or more, or a turnover of ₹ 1,000 Crore or more or a net profit of ₹ 5 Crore or more during any financial year are required to constitute a CSR Committee of the Board of Directors comprising three or more directors, at least one of whom should be an independent director. All such Companies are required to spend at least 2% of the average net profits of their immediately preceding three financial years on CSR related activities. Accordingly, the Company was required to spend ₹ 223.61 lacs towards CSR activities out of which ₹ 183.59 lacs were utilized for activities specified in schedule VII of the Companies Act, 2013. Details of CSR policy and the initiatives adopted by the Company on CSR during the year are available on the website of the Company at http://www.polymedicure.com/wp-content/uploads/2015/03/CSR_Policy_2015.pdf. The Annual Report on CSR as per Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure – 6** to this Report in the prescribed format.

The Company has spent ₹ 489.91 lacs out of the referred spent of ₹ 449.89 lacs in CSR activities in last 4 years. However, ₹ 40.02 lacs are unspent and the CSR Committee has decided to carry forward the unspent amount to next year CSR budget. The Company has initiated many projects and activities under CSR initiative and most of them will reach maturity stage in current year and next year. The Company will spend all available funds for CSR activities.

Prevention of Sexual Harassment at Workplace
The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for prevention of sexual harassment at work place and the Company has also Constituted the Internal Complaint Committee in compliance with the requirement of the Act. The Company has not received any Complaints on Sexual Harassment during the year.

Details in respect of Adequacy of Internal Financial Controls with reference to the Financial Statements
According to Section 134(5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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. The Company has a well-placed, proper and adequate internal financial control system which ensures the orderly and efficient conduct of its business, safeguarding and protecting of all assets and all the transactions are authorised recorded and reported correctly.

Particulars of Employees pursuant to Section 197(12)
Details pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed herewith as **Annexure-7**.

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

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

Credit Rating

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

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

Foreign Currency Exposure

As a major share of Company's revenue is earned in foreign currencies while substantial expenditure is made in Indian Currency, the Company is obviously exposed to foreign currency Fluctuation risks.

The Board has increased the limit for Forex Exposure hedging as per the Foreign Risk Management and Hedging Policy of the Company. The increased limit of hedging for Forex exposure transactions are maximum of 75% of total Net Forex Exposure (NFE) during the currency period of the Contract.

The Company has designed a review and control mechanism to minimize/mitigate the risk which is reviewed periodically. Foreign currency exposures are managed through Foreign Risk Management and Hedging policy. The policy is reviewed periodically to ensure that the risk from fluctuating currency exchange is appropriately managed.

Corporate Governance

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

All Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct as applicable to them for the year ending on 31st March, 2018 as per Regulation 26(3) of SEBI (LODR) Regulations, 2015. A declaration to this effect as signed by the Managing Director is annexed with this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the provision of Regulation 34 of the Listing Regulation is provided in **Annexure-8** forming part of Directors' Report.

Listing

The Shares of your Company are listed on the Bombay Stock Exchange Limited (BSE), Mumbai and National Stock Exchange of India Limited, (NSE), Mumbai. The Listing fees to the Stock Exchanges for the year 2018-19 have been paid.

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

Green Initiatives

To take part in Green Initiative in the Corporate Governance, we propose to send documents such as Notices of General Meeting(s), Annual Reports and other shareholders communications for the year ended 31st March 2018 in electronic form, to the email addresses provided by you and/or made available to the Company by the Depositories. The copy of annual report shall also be available on the website of the Company and for inspection at the registered office of the Company, during office hours. In case any member wishes to get Annual Report and other communication in physical form, he may write to the company and the same will be provided free of cost.

Electronic copies of the Annual Report 2017-18 and Notice of the 23rd Annual General Meeting would be sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the same would be sent in the permitted mode.

Acknowledgements & Appreciation

Your Board of Directors would like to place on record their sincere appreciation for the wholehearted support and contributions made by all the employees of the Company as well as customers, suppliers, bankers, investors and all other stakeholders. Our consistent growth was made possible due to their hard work, solidarity, cooperation and support.

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

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

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

1st August, 2018	D. R. Mehta	Himanshu Baid
New Delhi	Chairman	Managing Director

Annexure-1

REMUNERATION POLICY

Preamble :

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

Objectives:

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

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

- To guide and recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.
- To formulate the criteria for determining qualification, positive attributes and independence of a Director and recommendation to the Board on the remuneration payable to Directors, Key Managerial Personnel and officials in Senior Management of the Company.
- Formulating the criteria for evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To guide on providing reward to Directors, Key Managerial Personnel and Senior Management directly linked to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented Managerial Personnel and create competitive advantage.
- To develop a succession plan for the Board Members, Key Managerial Personnel and Senior Management and to regularly review the plan.

Constitution and Composition of Nomination and Remuneration Committee:

I. Membership of the Committee:

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

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

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

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

II. Chairman of the Committee:

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

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

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

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

III. Frequency of meetings:

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

IV. Committee members' interests:

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

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

V. Secretary:

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

VI. Voting:

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

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

VII. Minutes of Committee Meeting:

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

Definitions:

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

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

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

"**Key Managerial Personnel**" (KMP) means:

(i) Managing Director or Chief Executive Officer or Manager

(ii) Whole Time Director

(iii) Company Secretary

(iv) Chief Financial Officer

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

"Policy" shall mean **Nomination and Remuneration Policy**.

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

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

Applicability:

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

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

I. Appointment Criteria and Qualifications:

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

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

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

II. Term/Tenure:

a) Managing Director, Whole Time Director and Executive Director

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

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

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

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

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

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

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

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

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

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

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

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

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

The Directors, Key Managerial Personnel and other Senior Management Official's salary shall be based & determined on the basis of person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any. The Nominations and Remuneration Committee determines remuneration packages for Directors, KMP's and Senior Management Officials of the Company taking into account factors it deems relevant, including but not limited to market conditions, business performance, prevailing laws and other guidelines.

I. Remuneration to Executive Directors:

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

II. Remuneration/Sitting Fee to Non Executive/ Independent Director:

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

III. Remuneration to Key Managerial Personnel and Officials in Senior Management:

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

Duties of the Committee in relation to Nomination matters:

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

Duties of the Committee in relation to Remuneration matters:

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

Review and Amend

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

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

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

Executive Directors:

1. Performance Criteria:
    - Management qualities
    - Results/Achievements
    - Domain Knowledge
    - Decision making
2. Personal Attributes:
    - Leadership qualities
    - Motivation and Commitment
    - Vision
    - Strategic Planning
    - Principles and Values

Non Executive Independent & Non Independent Directors

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

Annexure-2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON FINANCIAL YEAR ENDED ON 31.03.2018

PURSUANT TO SECTION 92 (3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANY (MANAGEMENT & ADMINISTRATION) RULES, 2014

I. **REGISTRATION & OTHER DETAILS:**

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Infusion Therapy Products	46497	68.77

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%age of Shares held	Applicable Section
1	Poly Medicure (Laiyang) Co. ltd.	Area A, Heshan Road, Laiyang Economical Development District, Laiyang, Shandong, China	370682400002685	Subsidiary	100	Section 2(87) of the Companies Act, 2013
2	U.S. Safety Syringes Co. LLC	6601, Springpark Avenue Apt#5, Los Angeles, CA-90058	200700410131	Subsidiary	75	
3	Ultra for Medical Products Company (ULTRAMED)	64, NakhlaE1 Motei Street-Triumph-Heliopolis-Cairo, Egypt	346697	Associate	23	Section 2(6) of the Companies Act, 2013

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

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	35798208	0	35798208	40.58	35798208	0	35798208	40.58	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	6993144	0	6993144	7.93	6993144	0	6993144	7.93	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) Individual/HUF	227200	0	227200	0.26	227200	0	227200	0.26	0
b) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	43018552	0	43018552	48.76	43018552	0	43018552	48.76	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	53952	0	53952	0.06	0	0	0	0	(0.06)
b) Banks / FI	3412	0	3412	0	5968	0	5968	0.01	0.01
c) Central Govt	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investors	5182220	0	5182220	5.87	4832580	0	4832580	5.48	(0.39)
f) Venture Capital Funds	0	0	0	0	0	0	0	0	0
g) Insurance Companies	0	0	0	0	0	0	0	0	0
h) FIIs	0	0	0	0	0	0	0	0	0
i) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
j) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	5239584	0	5239584	5.94	4838548	0	4838548	5.48	(0.46)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	26500160	0	26500160	30.04	26340430	0	26340430	29.86	(0.18)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	3206288	513592	3719880	4.22	3323350	445500	3768850	4.27	0.05
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	4565390	73600	4638990	5.26	7046084	0	7046084	7.99	2.73
c) NBFCs registered with RBI	228592	0	228592	0.26	230602	0	230602	0.26	0
d) Others (specify)									
Non Resident Indians/OCB	863662	108800	972462	1.11	2831369	108800	2940169	3.33	2.22
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	3901660	0	3901660	4.42	43445	0	43445	0.05	(4.37)
Trusts	7000	0	7000	0.01	200	0	200	0	(0.01)
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2)	39272752	695992	39968744	45.30	39815480	554300	40369780	45.76	0.46
Total Public Shareholding (B)=(B)(1)+ (B)(2)	44512336	695992	45208328	51.24	44654028	554300	45208328	51.24	0
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	87530888	695992	88226880	100.00	87672580	554300	88226880	100.00	0

b) Shareholding of Promoter :

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Rishi Baid	9826048	11.14	0	9826048	11.14	0	0
2	Himanshu Baid	8074624	9.15	0	8074624	9.15	0	0
3	Himanshu Baid (HUF)	3839200	4.35	0	3839200	4.35	0	0
4	Mukulika Baid	3062400	3.47	0	3062400	3.47	0	0
5	Rishi Baid (HUF)	2780000	3.15	0	2780000	3.15	0	0
6	Jugal Kishore Baid	2279376	2.58	0	2279376	2.58	0	0
7	Vishal Baid	1681360	1.91	0	1681360	1.91	0	0
8	Shaily Baid	1188000	1.35	0	1188000	1.35	0	0
9	Shireen Baid	1121600	1.27	0	1121600	1.27	0	0
10	Neha Baid	1024000	1.16	0	1024000	1.16	0	0
11	Dhruv Baid	360000	0.41	0	360000	0.41	0	0
12	Aaryaman Baid	280000	0.32	0	280000	0.32	0	0
13	Arham Baid	280000	0.32	0	280000	0.32	0	0
14	Bhupendra Raj Mehta	1600	0.00	0	1600	0.00	0	0
15	Madhu Kothari	171200	0.19	0	171200	0.19	0	0
16	Vinay Kothari	56000	0.06	0	56000	0.06	0	0
17	Jai Polypan Pvt. Ltd.	3352000	3.80	0	3352000	3.80	0	0
18	VCB Trading LLP*	3641144	4.13	0	3641144	4.13	0	0
	Total	43018552	48.76	0	43018552	48.76	0	0

** VCB Trading LLP was formerly known as VCB Trading Private Limited.*

c) Change in Promoters' Shareholding (please specify, if there is no change)
There is no change in shareholding of Promoter group of the Company.

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

SN	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during theYear	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	EZEKIEL GLOBAL BUSINESS SOLUTIONS LLP				
	Opening Balance	12363186	14.01	12363186	14.01
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	(1866)	(0.00)	12361320	14.01
	Closing Balance			12361320	14.01
2	ZETTA MATRIX CONSULTING LLP				
	Opening Balance	8319660	9.43	8319660	9.43
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	8319660	9.43
	Closing Balance			8319660	9.43

SN	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during theYear	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	MATTHEWS INDIA FUND				
	Opening Balance	4153464	4.71	4153464	4.71
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	(239497)	(0.27)	3913967	4.44
	Closing Balance			3913967	4.44
4	SCG & CO. LLP				
	Opening Balance	3081184	3.49	3081184	3.49
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	3081184	3.49
	Closing Balance			3081184	3.49
5	NIRAJKUMAR VINODKUMAR DAGA				
	Opening Balance	211104	0.24	211104	0.24
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	1967076	2.23	2178180	2.47
	Closing Balance			2178180	2.47
6	NILAYKUMAR VINODKUMAR DAGA				
	Opening Balance	239766	0.27	239766	0.27
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	1704562	1.93	1944328	2.20
	Closing Balance			1944328	2.20
7	VARUN DAGA				
	Opening Balance	3116400	3.53	3116400	3.53
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	(1558152)	(1.77)	1558248	1.76
	Closing Balance			1558248	1.76
8	SHREANS DAGA				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	1550000	1.76	1550000	1.76
	Closing Balance			1550000	1.76
9	ASHISH KACHOLIA				
	Opening Balance	516638	0.59	516638	0.59
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	757669	0.86	1274307	1.45
	Closing Balance			1274307	1.45
10	KJMC FINANCIAL SERVICES LTD				
	Opening Balance	977392	1.11	977392	1.11
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	(119047)	(0.14)	858345	0.97
	Closing Balance			858345	0.97

e) **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during theYear	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Himanshu Baid (Managing Director)**				
	Opening Balance	8074624	9.15	8074624	9.15
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	8074624	9.15
	Closing Balance			8074624	9.15
2	**Rishi Baid (Executive Director)**				
	Opening Balance	9826048	11.14	9826048	11.14
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	9826048	11.14
	Closing Balance			9826048	11.14
3.	**Devendra Raj Mehta (Chairman)**				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	0	0.00
	Closing Balance			0	0.00
4	**Jugal Kishore Baid (Director)**				
	Opening Balance	2279376	2.58	2279376	2.58
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	2279376	2.58
	Closing Balance			2279376	2.58
5	**Mukulika Baid (Director)**				
	Opening Balance	3062400	3.47	3062400	3.47
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	3062400	3.47
	Closing Balance			3062400	3.47
6	**Yeshwant Singh Choudhary (Director)***				
	Opening Balance	4472	0.01	4472	0.01
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	4472	0.01
	Closing Balance			4472	0.01
8	**Prakash Chand Surana (Director)**				
	Opening Balance	2098	0.00	2098	0.00
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	2098	0.00
	Closing Balance			2098	0.00
9	**Shailendra Raj Mehta (Director)**				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	0	0.00
	Closing Balance			0	0.00
10	**Sandeep Bhargava (Director)**				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	0	0.00
	Closing Balance			0	0.00
11	**Jas Karan Sancheti Oswal (CFO)**				
	Opening Balance	30048	0.03	30048	0.03
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	8820	0.01	38868	0.04
	Closing Balance			38868	0.04
12	**Avinash Chandra (Company Secretary)**				
	Opening Balance	0	0.00	0	0.00
	Transaction Purchase/(Sale) from April 1, 2017 upto March 31, 2018	0	0.00	0	0.00
	Closing Balance			0	0.00

** Shri Yeshwant Singh Choudhary (Director) Ceased to be a Director w.e.f. 23rd December, 2017 due to sad demise.*

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,693.53	-	-	9,693.53
ii) Interest due but not paid	46.17	-	-	46.17
iii) Interest accrued but not due	5.41	-	-	5.41
Total (i+ii+iii)	9,745.11	-	-	9,745.11
Change in Indebtedness during the financial year				
- Addition	5,114.79	-	-	5,114.79
- Reduction	2,072.37	-	-	2,072.37
Net Change	3,042.42	-	-	3,042.42
Indebtedness at the end of the financial year				
i) Principal Amount	12,735.95	-	-	12,735.95
ii) Interest due but not paid	44.21	-	-	44.21
iii) Interest accrued but not due	2.01	-	-	2.01
Total (i+ii+iii)	**12,782.17**	**-**	**-**	**12,782.17**

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri Himanshu Baid	Shri Rishi Baid	(₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,26,17,115	1,21,25,577	2,47,42,692
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13,08,120	11,02,417	24,10,537
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify…	 2,75,00,000 -	 2,75,00,000 -	 5,50,00,000 -
5	Others, please specify	-	-	-
	Total (A)	**4,14,25,235**	**4,07,27,994**	**8,21,53,229**
	Ceiling as per the Act	10% of Net Profit for all Executive Directors - Managing and Executive Director 5% of Net Profit to any one Managing or Executive Director		

B. REMUNERATION TO OTHER DIRECTORS

SN	Particulars of Remuneration	Name of Directors					Total Amount (₹)
1	Independent Directors	Devendra Raj Mehta	Prakash Chand Surana	Sandeep Bhargava	Yeshwant Singh Choudhary	Shailendra Raj Mehta	
	Fee for attending board committee meetings	2,50,000	3,50,000	1,50,000	1,75,000	3,00,000	12,25,000
	Commission	7,50,000	7,50,000	7,50,000	-	7,50,000	30,00,000
	Others, please specify	-	-	-	-	-	-
	Total (1)	**10,00,000**	**11,00,000**	**9,00,000**	**1,75,000**	**10,50,000**	**42,25,000**
2	Other Non-Executive Directors	Jugal Kishore Baid		Mukulika Baid			
	Fee for attending board committee meetings	2,25,000		2,00,000			4,25,000
	Commission	7,50,000		7,50,000			15,00,000
	Others, please specify	-		-			-
	Total (2)	**9,75,000**		**9,50,000**			**19,25,000**
	Total (B)=(1+2)			**61,50,000**			**61,50,000**
	Total Managerial Remuneration (A+B)	8,83,03,229					8,83,03,229
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors					

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

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		J. K. Oswal (CFO)	Avinash Chandra (CS)	(₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,24,708	7,25,126	47,49,834
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,33,920	21,600	1,55,520
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	**41,58,628**	**7,46,726**	**49,05,354**

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure-3

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017
[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE NO. 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION PERSONNEL) RULES, 2014

To,
The Members of Poly Medicure Limited

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

Based on our verification of the Companies books, papers, minute book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filled and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
a) The Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011;
b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;
d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit period)

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit period) and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit period)

Other Laws applicable to the Company:

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

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India.

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

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

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

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the Meetings and for meaningful participation at the Meetings.

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

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

For B.K. Sethi & Company

B.K. Sethi
Proprietor
FCS-853/CP-913, New Delhi
dated the 25th July, 2018

Annexure-4

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

- Details of Investments as on 31st March, 2018

(₹in lacs)

S. No.	Name of Company	Relationship	Amount
1	U.S. Safety Syringes Co. LLC, USA*	Subsidiary	130.33
2	Poly Medicure (Laiyang) Co. ltd. China*	Subsidiary	472.39
3	Ultra for Medical Products Company (ULTRAMED), Egypt*	Associate	88.67

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

- **Details of Loans outstanding during the year ending 31st March, 2018**
  The Company has no outstanding Loans as on 31st March, 2018.
- **Details of Guarantees as on 31st March, 2018**
  The Company has not issued any Corporate Guarantee.

Annexure-5

FORM NO. AOC-2

(Pursuant to Clause (H) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (accounts) Rules, 2014)

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:**
   NONE: DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS

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

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

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

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

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

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

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

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

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

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

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

(c) Duration of the contracts / arrangements / transactions: **3 (Three) Years.**

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: **The Company hereby agrees for job work contracts for some of the products and components of Medical Devices on prevailing market rates. The duration of the contract is for 3 years i.e. F.Y. 2015-16, F.Y. 2016-17 and F.Y. 2017-2018.**

(e) Date(s) of approval by the Board, if any: **30th July, 2014**

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

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

New Delhi	D. R. Mehta	Himanshu Baid
1st August, 2018	Chairman	Managing Director

Annexure-6

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

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

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

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

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

2. **The composition of CSR committee**

   As at 31st March, 2018, the Corporate Social Responsibility Committee comprises of 3 (Three) members of the Board, all of them are Non-Executive Directors. The Chairman of the Committee is an Independent Director.

S. No.	Name	Designation
1	Shri Devendra Raj Mehta	Chairman
2	Shri Jugal Kishore Baid	Member
3	Smt Mukulika Baid	Member

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

   The Average Net Profit of three financial years preceding the reporting financial year (i.e. 2016-17, 2015-16, 2014-15) calculated in accordance with section 135 of the Companies Act, 2013 is ₹ 7,299.46 Lacs.

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

   The prescribed CSR Expenditure to be incurred during the financial year i.e. 2017-18 is ₹ 146.00 Lacs.

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

(a) Total amount to be spent for the FY = ₹ 146.00 Lacs

(b) Amount unspent = Nil

(c) Manner in which the amount spent during the FY is detailed below:

(₹ in Lacs)

S. No	CSR Project or activity defined	Sector in which the project is covered*	Projects or programs	Amount Outlay (budget) project or program wise	Amount spent on the projects or program	Cumulative Expenditure upto the reporting	Amount Spent: Direct or through implementing agency period
1	On Providing food and related services	(i)	Eradicating Hunger, poverty and malnutrition	4.00	3.60	3.60	THE AKSHYAPATRA FOUNDATION
2	On Promotion of Healthcare	(i)	Promoting healthcare including Preventive Healthcare through awareness programmes	18.00	17.86	17.86	BHAGIRATHI SEVA PRANYAS, PROJECT BALA, TERAPANTH YUAK PARISAD TRUST, LUNG CARE FOUNDATION
3	On Promotion of Education	(ii)	Promoting education and employment enhancing vocation skills	106.00	105.76	105.76	ROTARY CLUB, JAIPUR, SHRI JAIN SHEWTAMBER TERAPANTH SHIKSHA SAMITI, PRAKRAT BHARATI ACADMEY

(₹ in Lacs)

S. No	CSR Project or activity defined	Sector in which the project is covered*	Projects or programs	Amount Outlay (budget) project or program wise	Amount spent on the projects or program	Cumulative Expenditure upto the reporting	Amount Spent: Direct or through implementing agency period
4	On Welfare for disabled person and social welfare	(ii)	Employment enhancing vocation skills among children, women and differently abled	40.00	40.01	40.01	SHRI BHAGWAN MAHAVEER VIKLANG SAHAYATA SAMITI, SAMARPAN SANSTHAN5 Animal
	Protection	(iv)	Ensuring environmental sustainability and ecological balance	17.00	16.36	16.36	HARE KRISHNA MOVEMENT
	Total			**185.00**	**183.59**	**183.59**	

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

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

During the year under review, the total amount to be spent was ₹ 146 lacs and outstanding CSR amount for the last three years were ₹ 77.62 lacs. Our Company has spent ₹ 183.59 lacs during this year and the balance of ₹ 40.03 lacs has been carry forward to next year's budget.

The Company's CSR initiatives usually involve setting of various programs in project form at a medium/small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community.

Likewise, due to non-identification of proper projects and agencies which may guide the Company towards such philanthropic activities to serve and match the needs of the society, the company wasn't able to spend whole budgeted allocable amount towards CSR Activities.

7. **Responsibility Statement**

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

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

New Delhi	D. R. Mehta	Himanshu Baid
1st August, 2018	Chairman	Managing Director

Annexure-7

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

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	– Ratio of the remuneration of Shri Himanshu Baid, Managing Director – 171 :1 – Ratio of the remuneration of Shri Rishi Baid, Executive Director – 168: 1 – Ratio of the remuneration of Shri J. K. Oswal, CFO – 17 : 1 – Ratio of the remuneration of Shri Avinash Chandra, CS – 3 : 1
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	– Shri Himanshu Baid, MD – 20.78% – Shri Rishi Baid, ED – 20.64% – Shri Jas Karan Oswal, CFO – 11.34 % – Shri Avinash Chandra, CS – 14.70 %
(iii)	Percentage increase in the median remuneration of employees in the financial year	18.20 %
(iv)	Number of permanent employees on the rolls of company	1,926 Employees
(v)	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

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

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

S. No.	Name / Designation	Age	Qualification & Experience (in Years)	Date of commence-ment of Employment	Nature of Employment	Remuneration received (₹)	Last Employer & Designation Head	%age of Equity share holding	Whether, employee is the relative of other Director(s), if so, name of such Director
1	Shri Neeraj Raghuvanshi, Chief Operating Officer	44	B. Pharma B.E. and MBA 15 years	02.06.2017	Non-Contractual	1,00,78,222/-	Becton Dickinson India Private Ltd., Business Director	-	No
2	Shri Vishal Baid President (Corporate Sales & Marketing)	44	CA17 years	01.06.2011	Contractual	47,39,192/-	Self- Employment	3.26 % (includes wife shareholding)	Shri J.K. Baid Smt. Mukulika Baid Shri Himanshu Baid Shri Rishi Baid
3	Shri V.K. Sharma Sr. G.M. (R&D)	59	Diploma in Mechanical (AMIE) 37 years	27.07.2015	Non-Contractual	46,12,761/-	FIEM Industries Ltd. as G.M (Co-ordination)	-	No
4	Shri Hemant Bhalla V.P (Sales & Marketing)	59	BSc., Dip. in Business Management & Ind. dmn.) 37 Years	06.09.2006	Non-Contractual	37,17,498/-	Self-Employment	-	No
5	Shri Sujit Kumar Gupta Sr. G.M. (Export)	43	B Com. PGDIB, EMBA 19 Years	13.09.1999	Non-Contractual	32,68,213/-	-	-	No
6	Shri S.S. Rawat Sr. G.M. (QA)	53	BSc. and MBA 32 Years	06.07.2009	Non-Contractual	31,31,809/-	Ind-Swift Ltd, as Senior Manager (QA)	-	No
7	Shri Pankaj Kumar Gupta Sr. G.M. (R&D)	51	BE (Tool Engg.) 29 Years	18.02.2008	Non-Contractual	30,95,841/-	Eastern Medikit Ltd., as Manager	-	No
8	Shri Rakesh Bothra Sr. G.M. (Shipping & Logistics)	48	B.Com. (H), CA (Inter) 27 Years	27.11.2002	Non-Contractual	29,33,113/-	BIDM Asia Pacific Systems P. Ltd. as Accounts Manager	-	No
9	Shri Amitabh Sagar, C.H.R.O. (HR & Admin)	46	PG in IRPM 23 Years	24.07.2017	Non-Contractual	24,56,922/-	Compass India Support as GM	-	No
10	Shri P. K. Rastogi AVP (Finance & Accounts)	46	C.A. 23 years	14.10.2015	Non-Contractual	23,27,252/-	Oswal Casting Pvt. Ltd. as AVP	-	No

Persons employed for the full year ended 31st March 2018 who were in receipt of the remuneration which in the aggregate was not less than ₹ 1,02,00,000/- p.a.

S. No.	Employee Name	Desig-nation	Gross Remuneration (₹ In Lacs)	Qualification	Total Experience in Years	Date of commence-ment of Employment	Age in years	Last Employer & Designation Head
1	Shri Himanshu Baid	Managing Director	414.25	Electronics Engineer	30	20th Sept., 1995	50	Hanuman Tin Factory as Manager
2	Shri Rishi Baid	Executive Director	407.28	BSME, MSME	25	1st August, 1997	46	Miles Pharma Inc. USA as Engineer

Persons employed for part of the year ended 31st March, 2018 who were in receipt of the remuneration which in the aggregate was not less than ₹ 8,50,000/- p.m.

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

NOTES:

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

Annexure-8

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Healthcare Sector

The healthcare industry in India is already one of the country's largest sectors in terms of both employment and revenue generation, and it is expected to grow at a rapid pace in 2018. Apart from drivers such as strong economic performance, rising population, and the increased prevalence of chronic diseases, significant growth within India's healthcare industry over the recent years is also believed to be facilitated by a rapid privatization of healthcare services, particularly in secondary and tertiary healthcare services in rural and urban areas.

Meanwhile, India's competitiveness in the global healthcare market also indicates in its huge availability of well-trained medical professionals and cost competitive in pharmaceutics, medical devices, and medical tourism sectors. Rising income levels, the aging population, growing health awareness, and a changing attitude towards preventive healthcare is expected to boost healthcare services demand in future. As healthcare becomes one of India largest sectors, the low cost of medical and healthcare services in India has also led to a rise in the country's medical tourism, attracting patients from all over the world. The cost of surgery in India is very low as compared to the US or Western Countries. As a result, India is experiencing 22-25% growth in medical tourism and the industry is expected to double its size from $3 billion in 2017 to $6 billion by 2018. Medical tourist arrivals in India were estimated to be over 200,000 in 2016, and the figure is likely to see considerable increase in coming years.

Overall, the healthcare industry in India is now undergoing some huge positive changes across all major segments of the industry, including hospitals, pharmaceutical, diagnostics, medical devices & equipments, medical insurance, and telemedicine. The government is also aiming to develop India as a global healthcare hub by issuing new Health policy, creating new drug testing laboratories and improving National Health Insurance Mission to provide health benefits to more people. The growth of healthcare industry in India is expected continue performing at an amazing rate.

Healthcare Infrastructure

Additional 1.8 million beds needed for India to achieve the target of 2 beds per 1,000 people by 2025. Additional 1.54 million doctors required to meet the growing demand for healthcare.

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

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

Healthcare Market Size

According to recent data from India Brand Equity Foundation (IBEF) the size of the healthcare industry in India is worth around $160 billion in 2017 and that figure is expected to reach over $372 billion by 2022.

Healthcare has become one of India's largest sectors both in terms of revenue and employment. The industry is growing at a tremendous pace owing to its strengthening coverage, services and increasing expenditure by public as well private players.

During 2008-22, the market is expected to record a CAGR of 16.28 per cent.

The hospital industry in India stood at ₹ 4 trillion (US$ 61.79 billion) in 2017 and is expected to increase at a Compound Annual Growth Rate (CAGR) of 16-17 percent to reach ₹ 8.6 trillion (US$ 132.84 billion) by 2023. [Frost and Sullivan, LSI Financial Services, Deloitte, Aranca Research]

There is a significant scope for enhancing healthcare services considering that healthcare spending as a percentage of Gross Domestic Product (GDP) is rising. Rural India, which accounts for over 70 percent of the population, is set to emerge as a potential demand source.

Growing Spend on Health Sector

India's expenditure on the health sector has risen from 1.2 per cent of the GDP in 2013-14 to 1.4 per cent in 2017-18. The National Health Protection Scheme (now Ayushman Bharat National Health Protection Mission) provides for financial protection of up to ₹ 5 lakh per family per year to 10.74 crore families (or 50 crore population) for secondary and tertiary hospitalisation. The cost is borne by the government (Centre and States). Government has increased the total public health expenditure (Centre and States) from ₹ 1.49 lakh crore in 2014-15 to ₹ 2.25 lakh crore in 2017-18. Further, the National Health Policy 2017 envisages raising government health spending to 2.5 per cent of the GDP by 2025 in a time-bound manner. It also envisages increasing state sector health spending to more than 8 per cent of their budget by 2020.

Indian Medical Device Sector - an overview and growth opportunities

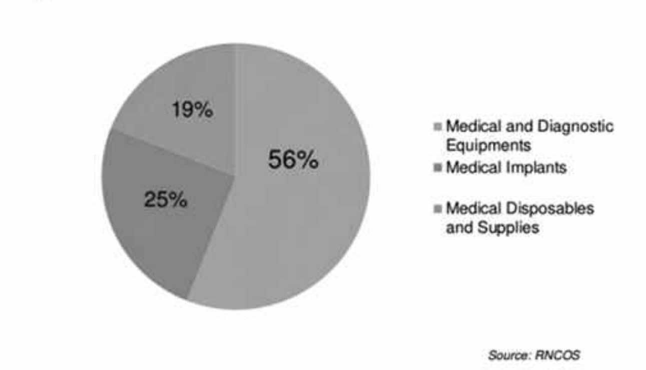
Global medical device market is expected to reach an estimated $343 billion by 2021 with a CAGR of 4.6% from 2016 to 2022.

General Medical device segment is likely to experience the highest growth due to the growth in hospitals and healthcare institutions.

Asia Pacific (APAC) is expected to witness good growth because of increasing investment in healthcare infrastructure, increasing health insurance facilities (Indonesia, Malaysia, Thailand, India, China, and Changing lifestyle.

Innovation and new product development will enhance medical experience with lower cost solutions

Global Medical Device Market : by Segmentation- 2015



The Indian medical devices market size, valued at approx US$ 6 billion in 2016, is expected to reach US$ 10 billion by 2022, backed by rising geriatric population, growth in medical tourism and declining cost of medical services. (*Source ibef. org*)

Medical Technology can be instrumental in shaping healthcare for all in India as it provides the opportunity to leapfrog over India's longstanding healthcare challenges, accessibility, affordability and quality.

The Indian market is among the top twenty in the world by market size, but its only 2% in value and the Indian medical device sector is expected to grow at a CAGR of 12 % for next 4-5 years with 17% of world

Population and a GDP growth rate of 7.2%, India is amongst the fastest growing economies of the world.
The growth factor's includes:

- Increasing incidence of lifestyle diseases
- Emerging middle class and rising healthcare consumption
- Insurance penetration
- Medical value travel advantage
- Diversifying delivery models

With 1/6th of world's population and a growing demand for healthcare services, India is also likely to witness a spur in the demand for allied technologies, medical devices, medical equipment and medical consumables which will aid in delivery of affordable healthcare.

India requires more than 1 lacs Beds per year to reach 2.5 beds per 1000 population by 2032.

Opportunity to create more than 30 Lacs jobs per year. Healthcare sector is one of the largest employers in the Country.

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

India is expected to rank amongst the top 3 healthcare markets in terms of incremental growth by 2020. In FY17, Indian healthcare sector stood as the 4th largest employer.

In May 2017, the Asian Research and Training Institute for Skill Transfer (ARTIST) announced plans to create around 1 million skilled healthcare providers by 2022. Thousands of jobs are expected to be created from Ayushman Bharat, the National Health Protection Scheme.

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

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

1. **Ayushman Bharat Programme:**

- ₹ 5 lacs insurance cover per family per year
- Covering more than 10 Crore families
- Can Avail benefits in both public & empanelled private facilities across the country
- Intent to cover over 1300 procedures
- Cashless plan
- The government is preparing for its launch in Sep 2018.
- Private Medical insurance will also grow. Expect outpatient procedures will also cover in near future.
- Increase in consumption: Demand for Low-cost, mid-range and main stream medical devices.
- With this clear approaching domestic opportunity, we are optimistic about the future of 'Make in India'.
- Expecting manufacturing investments to follow in the very near future.

2. **Development of infrastructure: Medical Devices Parks - AMTZ**

- Kalam Institute of Health Technology – is being setup at AMTZ Visakhapatnam – will be India's first institute dedicated to medical devices technologies with 100% financial support (USD 125 million) from Department of Biotechnology (DBT).

3. **Favorable Regulations:**

- "**New Medical Devices Rules 2017**" which has been implemented from January 1, 2018

i. Eased norms for obtaining license and conducting clinical trials

ii. Reduced manufacturer-regulator interface by prompting digital platform.

4. **"National Health Policy 2017" aiming to provide healthcare in an assured manner to all.** Highlights of the Policy are:

- The government aims in shifting focus from "sick-care" to "wellness", by promoting prevention and well-being.
- It intends on gradually increase public health expenditure to 2.5% of the GDP.
- Recommends strengthening regulation of medical devices and establishing a regulatory body for medical devices to unleash innovation and entrepreneurial spirit for manufacture of medical devices in India.
- Harmonization of domestic regulatory standards with International standards.
- Post market surveillance program for medical devices to ensure high degree of reliability and to prevent adverse outcomes due to low quality.
- Assured purchase by government health facilities from domestic manufacturers, subject to quality standards being met.

The harmonized policies and rules for the medical devices will also encourage local manufacturing and move towards improving affordability for patients.

Overview of the Company

We are an innovative and research and development focused Company in the disposable medical devices industry in India. We are one of the leading manufacturer and exporter of medical devices with dominant position in medical devices market with focus on innovation, safety and quality and serving with a vision to provide quality healthcare at affordable price. With increasing demand for affordable quality healthcare services, the penetration of Health Insurance is poised to grow exponentially in the Coming Years. We manufacture and supply, in India and internationally, a diverse portfolio of disposable medical devices in the product verticals of Infusion Therapy, blood management, gastroenterology, surgery and wound drainage, anesthesia and urology. We have over 125 varieties of disposable medical devices, including veterinary disposable devices.

The Company is now a well known brand in the Healthcare Industry for providing the highest quality of medical devices at affordable prices in India and abroad, which covers more than 100 countries.

Hon'ble Prime Minister, Shri Narendra Modi interacted with 212 young entrepreneurs at the "**Champions of Change**" initiative organized by NITI Aayog, Government of India at Pravasi Bharatiya Kendra, New Delhi on August 17 2017. **Shri Himanshu Baid, Managing Director** was invited as a representative of Disposable Medical Device Industry in this programme.

Shri Himanshu Baid, Managing Director was also invited in "Make in India" event in Stockholm, Sweden, with the exploring synergies and avenues of partnership between Indian and Swedish in Medtech Sector.

We received the "Top Exporter Award" (1st Prize) for highest export of Plastic Medical Disposables for Continuous last 5 years from "The Plastics Export Promotion Council (sponsored by Department of Commerce, Government of India)."

Business Operations and Manufacturing Facilities

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

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

Knowledge and Skill of production team is being enhanced continuously by imparting regular trainings on Six Sigma, Quality Circles, FMEA, Kaizen, Poka Yoke techniques for improving process capabilities and consistency in quality of products. The core team is highly qualified, experienced and motivated which provides guidance and support to employees in different facilities.

The Company is committed to offering highest quality product to the Medical fraternity and selling its more than 125 products. Company strives hard to establish new standards with new products and win new customers around the world with professionalism, reputation and high Quality Standards.

Further the company also having its manufacturing facilities in China and Egypt.

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

Manufacturing Process & Technology
We use highly sophisticated equipments and technology to manufacture medical devices under clean room conditions. The utilization of these automated equipments and technology reasonably leads to bring the cost per part to the lowest possible level with desired design and characteristics. We have been continuously upgrading our manufacturing process and technology. The use of these advance systems has resulted in high consistency in quality.

We believe our flexible production platform, broad machining capabilities and Design for Manufacturing (DFM) best practices enables us to manufacture a wide range of products and meet changing conditions with efficiency while ensuring high quality products and increase in production volume with minimal additional investment.

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

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

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

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

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

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

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

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

This year Company is introducing new products in Vascular Access and Renal Care.

Research and Development
To keep pace with the ever-changing market requirements, POLYMED has a fully staffed and highly equipped R & D section approved by Ministry of Science & Technology Government of India to design & develop new and innovative products from Design to production in a short span of time using rapid prototyping 3 D printer CAD/CAM technology etc. Possess ultra modern tool room with sophisticated machines like CNC wire cut, EDM and Vertical Machining Center. Today, POLYMED is considered a technologically superior brand, which is a result of its advanced Research and Development facility and team. To combat competition and excel in the segment of Medical Devices, the Company's Research and Development department has worked tirelessly to develop new and innovative products which can meet the demands of end-user.
Research and development have always played a key role at POLYMED. Our goal is to offer our customers high quality products and customized solutions for their needs. Our technology portfolio and our key areas of expertise are focused on this objective. The expertise, creativity and motivation of our employees in research and development are key factors behind our market success.

Followings are some of the key features of our R&D activities.
1. Over 50 Engineers and technicians.

2. Activities span over Product designing, Tool Designing, Prototyping, Standard Room and Tooling Room.
3. Perform pre-activities like Feasibility Studies.
4. Establish quality norms through bench marking and IPR studies.
5. Designing and balancing of Process flow.
6. Perform design reviews and analysis
7. Work on creating new products, developing process capabilities, improving quality, and enhancing productivity.
8. Maintain and enhance the IPR strength of the organization.
9. Launching new products.

Sales and marketing network

We also have a country wide sales and distribution network in India which enables us to a wide market base. As of March 31st, 2018, our distribution network included over 25 super distributors, over 10 authorised agents and over 1300 dealers. We have over 200 persons in Sales, Marketing and Product Management Team. Globally we have dedicated Sales Network and Tie-up with key distributors in over 100 countries including in Europe, south-east Asia, the Middle East, Americas and Africa, distributing through a network of approximately over 200 distributors. Approximately 70% of our total revenues are attributable to export of our products.

Financial Performance (Consolidated)

Income

Our total revenues comprise revenue from operations and other income.

Total revenue increased from ₹ 47,521.60 lacs in fiscal 2017 to ₹ 53,605.37 lacs in fiscal 2018 i.e. 12.80 % and this is primarily due to growth in our revenue from operations, for reasons described below.

Revenue from Operations

Our net revenue from operations increased from ₹ 46,186.10 lacs in fiscal 2017 to ₹ 52,167.79 lacs in fiscal 2018, which was primarily due to increased sales of our products.

Sale of products increased from ₹ 45,436.52 lacs in fiscal 2017 to ₹ 50,861.16 lacs in fiscal 2018 primarily on account of increase in sales of our products, including from the continued sale of our medical devices Infusion therapy products and blood management products.

Other operating revenues increased from ₹ 749.58 lacs in fiscal 2017 to ₹ 1306.63 lacs in fiscal 2018.

Other Income

Other income increased from ₹ 1335.50 lacs in fiscal 2017 to ₹ 1,437.58 lacs in fiscal 2018 primarily on account of increase in interest income and gains on net foreign exchange fluctuations.

Our total expenses increased from ₹ 40,061.42 lacs in fiscal 2017 to ₹ 44,054.25 lacs in fiscal 2018.

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

Cost of raw materials including packing materials consumed (which includes plastic granules, PVC sheets, boxes, medical paper and film) and purchase of stock-in-trade increased from ₹ 15,345.11 lacs in fiscal 2017 to ₹ 16,505.01 lacs in fiscal 2018 due to increased production.

Employee Benefit Expenses

Employee benefit expenses increased from ₹ 8,725.73 lacs in fiscal 2017 to ₹ 9,912.59 lacs in fiscal 2018, primarily due to an increase in the salaries, wages and bonus, and on account of increase in the number of employees from 1,661 as on March 31, 2017 to 1,926 as on March 31, 2018.

Research and development expenses

Research and development expenses increased from ₹ 903.38 lacs in fiscal 2017 to ₹ 1004.78 lacs in fiscal 2018, primarily on account of increase in employee benefits expenses for research and development. As a percentage of our total revenue, research and development expenses decreased from 1.90% in fiscal 2017 to 1.87 % in fiscal 2018.

Other Expenses

Other expenses increased from ₹ 11,354.89 lacs in fiscal 2017 to ₹ 12,584.89 lacs in fiscal 2018, primarily on account of increase in job work charges, power and fuel expenses and other manufacturing expenses.

Earnings before interest, tax and depreciation

Our EBITD increased from ₹ 10,507.02 lacs in fiscal 2017 to ₹ 13,472.00 lacs in fiscal 2018. This is 25.13 % of total revenue as against 22.11 % in previous year.

Depreciation expenses

Our depreciation expenses increased from ₹ 2,372.55 lacs in fiscal 2017 to ₹ 2,924.40 lacs in fiscal 2018 due to more capitalization in existing plant as well as new plant.

Finance costs

Our finance costs increased from ₹ 674.29 lacs in fiscal 2017, to ₹ 996.48 lacs in fiscal 2018, primarily on account of increase in borrowings.

Profit Before Tax
Our profit before tax increased from ₹ 7,518.89 lacs in fiscal 2017 to ₹ 9,675.15 lacs in fiscal 2018 i.e. 28.68 %.

Tax Expenses
Tax expenses increased from ₹ 2,006.36 lacs in fiscal 2017 (which consist of current tax of ₹ 1,760.00 lacs, tax adjustment for earlier years of (₹ 52.56) lacs, deferred tax of ₹ 298.92 lacs) to ₹ 2615.76 lacs in fiscal 2018 (which consist of current tax of ₹ 2,536.55 lacs and deferred tax of ₹ 79.21 lacs) primarily due to an increase in the profit for fiscal 2018.

Share of profit from associates
Share of profit from our associate Ultra for Medical Products Company (ULTRAMED) Egypt, increased from ₹ 58.71 lacs in fiscal 2017 to ₹ 124.03 lacs in fiscal 2018.

Profit for the Year
For the various reasons discussed above, profit for the year increased from ₹ 5,512.53 lacs in fiscal 2017 to ₹ 7,059.39 lacs in fiscal 2018. This is 13.17% of total revenue as against 11.60% in previous year.

Risks Management
Our Manufacturing facilities are subject to risks, including disruptions in or lock of infrastructure facilities and obsolete plant and machinery, which could increase our manufacturing costs or interrupt our operations and adversely impact our reputation, sales and strategies. We encourage people to identify and seize opportunities. The Current economic environment in combination with significant growth ambitions of the Company carries with it, an evolving set of risks. We recognizes that these risks need to be managed to protect our customers, employees, stakeholders and other stakeholders to achieve its business objectives and enable sustainable growth. The company has introduced several improvements to integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and internal audit activities.

Risk and Opportunity management is therefore a key element of the overall Company strategy. The company has introduced several improvements to integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and internal audit activities.

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

Internal Control System & Adequacy
The Company 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.

The Company constantly reviews its processes and the systems with an aim to remain competitive and address the changing regulatory and business environment. The Control Systems provide a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company’s assets. The statutory auditors as well as the internal auditors periodically review the internal control systems, policies and procedures for their adequacy, effectiveness and continuous operation for addressing risk management and mitigation strategies and thereby facilitates an objective assurance to the Board and Audit Committee regarding the adequacy and effectiveness of the system.

Related party transactions

Policy on dealing with Related Party Transactions and Materiality is available on the Company's website. As per the said Policy, all Related Party Transactions are pre-approved by the Audit Committee and Board as and when required. The same are also reviewed by the Audit Committee on a quarterly / annual basis. All contracts/arrangements/transactions entered into by the Company during the financial year 2017-18 with Related Parties were in the ordinary course of business and on arm's length basis. Also, there was no contract/ arrangement/transaction with any of the Related Parties other than disclosed in AOC-2 of Director's Report, which could be considered material in accordance with the Companies Act, 2013, Rules framed thereunder and Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Related Party Transactions entered into by the Company during the financial year 2017-18 are provided in Note 37 to the Financial Statements.

Opportunity

India is recognized as the sunshine sector by the government, it has evolved significantly in the last decade with government and industry taking several initiatives to develop the market.

The growth rate is attributed to several factors like burgeoning middle class, improved healthcare infrastructure, increased healthcare spending, etc. Apart from this, reforms such as allowing 100% FDI, Digital India, Make in India, building medical device parks, etc, have also contributed to the growth.

The manufacturing space in the medical devices sector is virgin territory and with the government's push, there is a real opportunity for Indian Companies. Apart from the cost, the government's move to separate manufacturing of medical devices from drugs from the regulatory perspective could usher in better transparency and a level playing field for medical devices makers. This will go a long way in building robust standards ecosystem for the industry, boost domestic production as well as boost exports, usher in greater foreign investment in the sector and bring in more investments into infrastructure and processes.

Similarly, technology will continue to provide a fantastic platform for disruptive innovation, wherein the wearable and diagnostic framework leveraging technology can provide out-of-the box, innovative and cost effective solutions for the masses of the country.

It must be noted that despite achieving considerable growth, the country still depends heavily on imported devices for addressing domestic demand. More than 70 percent of medical devices sold in the country are imported. Through Make in India, the government is looking to build manufacturing hubs to address the issue. Also, the new Medical Devices Rules 2017 are expected to boost domestic manufacturing and will provide big opportunities for stakeholders.

Human Resources

The Company's Human Resources are amongst the best in the Industry. Company believes in holistic development of employees to help them perform better with enthusiasm. Great care is taken to provide employees with an environment that is a healthy mix of flexibility and target orientation. The Company's policies and practices are employee friendly and are well valued by employees. As the Industry is growing at a rapid pace, so are Company's strategic Human Resource activities which are focused entirely on attracting, developing and retaining the best talent in the market. With an aim to be ahead of competition, focus on the future and leverage on the skill set currently available, many new HR initiatives have been taken by the Company.

The total Strength of employees of the Company was 1,926 as on 31st March, 2018. To be ahead of the competition, the Company has focused on strategic recruitment for business-specific positions. The Company believes in being future-ready and hence, has a strong focus on augmenting its manpower strength in critical business areas having direct impact on the bottom-line. The Company also focuses on introducing young, fresh and dynamic talent to various business functions on a regular basis.

To create leaders for the future, the efforts have to be made today. With this philosophy in mind, the Company continuously strives to incorporate ever-evolving employee specific practices that not only fulfill its requirements but also inspire them to lead the organization to greater heights. Through merit-based reward structure, competency specific learning opportunities and market based salary benchmarking; the Company strives to provide employees with a conducive environment of 'Recognition, Mentoring and Rewards'.

Insurance

We maintain insurance policies with reputed independent insurers in relation to our business and operations and our assets such as our buildings, equipment and inventories. Our principal types of insurance coverage include directors and officers insurance, product liability insurance to cover risks arising from injuries or damages caused by our products, standard fire and special perils insurance for our plants and machineries and buildings at our manufacturing facilities to cover risks such as fire and other ancillary perils and marine cargo policy to cover various risks during the transit of goods anywhere in the country or overseas. We also maintain group personal accident insurance and group mediclaim policy for our employees.

Our Strengths

We believe that our focus on innovation, safety, quality and diversified product range has enabled us to develop strong brand recognition in the Indian and international markets. The Company is one of the market leaders in disposable medical devices industry in India with over 20 years of experience. The Company has a diversified product portfolio with over 125 varieties of disposable medical devices in product verticals of infusion therapy, central venous access catheters, anesthesia, blood management and blood collection, urology, surgery and wound drainage, gastroenterology and dialysis and certain veterinary disposable devices. We constantly develop and improve existing products and technologies. We are increasing our presence across all large Hospitals across India and abroad.

Experienced management team and skilled employee base

A Strong and Experienced Management team plays a vital role in the growth and success of an organization. The Management team works as a coordination chain between Board and employees. The Company has built a competent team to handle challenging assignments. The Company has maintained cordial and harmonious relations with employees across various locations. The Company is an equal opportunity employer and lays special emphasis on welfare of its employees. It provides them with the best facilities and strives to engage and retain talented workforce at all levels.

During the year under review, various training and development workshops were conducted to improve the competency level of employees with an objective to improve the operational performance of individuals. It encourages continuous learning and provides a conductive environment for personal and professional growth thereby leading to the growth of the Company.

Switchover to Goods and Service Tax

The GST was launched at midnight on **1st July, 2017** by the Hon'ble President of India, Shri Pranab Mukherjee and the Government of India. During the year, Company has implemented upgraded software system and operating procedures and successfully migrated to Goods and Service Tax regime.

Competition

Our businesses compete on a variety of factors such as price, quality, reliability, delivery, performance, applied technology, product innovation and product recognition. Brand identity and quality are important competitive factors for our products and services, and there is considerable price competition. Other competitive factors include breadth of product line, research and development efforts and technical and managerial capability. While our competitive position varies among our products and services, we believe we are a significant competitor in each of our major product and service classes.

The medical device industry is subject to rapid technology and regulatory changes, and we face significant competition across our product lines and in each market in which our products are sold. We face this competition from a wide range of companies. These include large medical device companies, some of which may have greater financial and marketing resources than us. We also face competition from firms that are more specialized than us with respect to particular products. Non-medical device companies, including pharmaceutical companies, also offer or are attempting to develop alternative therapies for diseases that may be cured without a medical device.

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

Cautionary Statement

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

Annexure-9

A. CONSERVATION OF ENERGY

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

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

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

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

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

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

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

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

vi. DG Set voltage optimization and power factor improvements

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

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

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

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

xi. Installed solar panels as our commitment to promote the use of renewed energy sources. We have installed a 50 kw capacity Solar power plant on roof top with imported high efficiency modules & controller / inverter at one of our manufacturing facility. Modules are mounted on roof top at purlin with the help of high quality aluminium channels & fastners. It is a online grid type setup which is synchronize with our LT panel's bus bar.
It generates more than 225 kwh per day when good quality sunlight is available with ambient temprature is around 25°c.

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

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

ii. Installation of energy efficient Chillers to reduce energy consumption

iii. Replacement of inefficient saving pumps with energy saving pumps

iv. Replacement of motors with energy efficient motors

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

vi. Standardizing the production lines

vii. Use of high efficiency molds and reducing the wastage

c) Impact of measures in (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
The above measures helped in reduction of power, fuel, air and water consumption.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption
Research and Development

1. Specific Area in which R&D carried out by the Company
During the year, the R&D Centre of the Company was engaged in supporting all the businesses through innovations and undertook multifold research activities including:

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

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

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

3. Future plan of action

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

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

(₹ in Lacs)

Expenditure on Research & Development		Year Ended 31.03.2018	Year Ended 31.03.2017
(a)	Capital	240.64	490.36
(b)	Revenue	1,004.78	903.38
	Total	**1,245.42**	**1,393.74**
	Total Research and Development Expenditure as percentage of total turnover.	2.38%	3.03%

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

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

ii. Benefits derived as results of the above efforts:

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

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to export, Initiative taken to increase exports, development of new products and service and export plans:

The Company continues to keep its focus on widening of new geographical area to augment its exports. The Company is regularly participating in major overseas exhibitions, which are very helpful in improving the visibility of various products in International markets and widening its customer base.

Foreign Exchange used and earned

(₹ in lacs)

Particulars		2017-18	2016-17
(a)	Foreign Exchange Used	**14,555.29**	14,938.17
(b)	Foreign Exchange Earned	**34,479.04**	28,326.53

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and hereby presents the following Corporate Governance Report for the Financial Year 2017-18 based on the said requirements.

1. BOARD OF DIRECTORS ("BOARD")

Composition of the Board of Directors

As on 31st March, 2018, the Company has eight Directors, of which six are Non-executive Directors including four Independent Directors. The Board has one Women Director. The Composition of the Board is in the conformity with Regulation 17(1) of SEBI (LODR) Regulations, 2015. None of the Directors on the Board is Member of more than ten committees or Chairman of more than five committees across all the companies as on 31st March, 2018 for which confirmations have been obtained from the Directors. Chairmanships/ Memberships of the Board committees include only Audit Committee and Stakeholders' Relationship Committee.

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

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

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

Composition and category of Directors as on 31st March, 2018 is as under:

Shri Devendra Raj Mehta

Shri Devendra Raj Mehta, aged 81 years, is Chairman and a non-executive Independent Director of our Company. He holds a bachelor's degree in economics and law and is a retired officer of the Indian Administrative Services. Further, he is an alumnus of MIT Sloan School of Management, Massachusetts Institute of Technology, Boston, USA and the Royal Institute of Public Administration, London, United Kingdom. He has over 47 years of experience in civil services. Prior to joining the Board of the Company, he has held positions including, chairman of SEBI, deputy governor of RBI and Director General of Foreign Trade, Government of India and has held various positions with the Government of Rajasthan and the Government of India. He has been on the Board since May 26, 2005.

Shri Jugal Kishore Baid

Shri Jugal Kishore Baid, aged 76 years, is a non-executive Director of the Company. He holds a bachelor's degree in Science (Mechanical Engineering) from Birla Institute of Technology, Mesra, Ranchi. He has over 49 years of experience in engineering and has undertaken various industrial training programmes with engineering companies. Prior to joining the Board, he was associated with Hyderabad Allwyn Metal Works and Jai Polypan Private Limited. He was involved in setting up the rotational molding technology in Rajasthan for the manufacture of multi layered and foam filled water storage containers under the brand name "Polycon". He has been associated with the Company since its incorporation.

Smt. Mukulika Baid

Smt. Mukulika Baid, aged 68 years, is a non-executive Director of the Company. She holds a bachelor's degree in arts from Jodhpur National University. She has 17 years of experience in management and marketing. She is associated with several non-profit organisations. She has been on the Board since July 30, 2014.

Shri Prakash Chand Surana

Shri Prakash Chand Surana, aged 71 years, is a non-executive Independent Director of the Company. He is a qualified chartered accountant. He has over 43 years of experience in the field of taxation and corporate laws. He has been on the Board since September 22, 1997.

Dr. Shailendra Raj Mehta

Dr. Shailendra Raj Mehta, aged 59 years is a non-executive Independent Director of the Company. He holds a bachelor's degree and a master's degree in arts from Delhi University, an M.Phil. from Balliol College Oxford and a doctorate of philosophy in economics from Harvard University. He has 28 years of experience in the field of management and economics. His research on simulation resulted in the creation of Hi-tech Company that was granted a patent in the United States. He was responsible for setting up a collaboration between Indian Institute of Management, Ahmedabad and Duke Corporate Education and was a professor of economics and strategy at Purdue University. He was the vice chancellor of Ahmedabad University. He is currently the President, Director and Distinguished Professor for Innovation and Entrepreneurship at MICA (institute), The School of Ideas., Gujarat. He has been on the Board of the Company since May 28, 2012.

Dr. Sandeep Bhargava

Dr. Sandeep Bhargava, aged 50 years, is a Director of Our Company. He holds a bachelor degree as MBBS and Post Graduation Degree as MD. He was a Senior Consultant in Gastroenterology, Hepatology and Interventional Endoscopy Indraprastha Apollo Hospitals, New Delhi. He was also Staff Gastroenterologist and Hepatologist, Lourdes Medical Associates, Cherry Hill, USA. He has around 27 years of experience in medical field in India and abroad. He has worked as Clinical Instructor in Medicine and Gastroenterology, at Rhode Island Hospital, USA. He has also worked as Clinical Instructor in Gastroenterology/Hepatology/Liver Transplantation at Columbia University, New York. He has worked as Assistant Professor of Medicine, at Saint Peters University Hospital, USA. Apart from this he is also guest faculty at various medical institutions in India and abroad and writer of various books on medical Sciences. He has been associated with our Company since February 25, 2017.

Shri Himanshu Baid

Shri Himanshu Baid, aged 50 years, is the Managing Director of the Company. He holds a bachelor's degree in engineering (electronics and communication) from Karnatak University, Dharwad, India. He has over 21 years of experience in manufacturing, sales and marketing of disposable medical devices. He has been associated with the Company since its incorporation.

Shri Rishi Baid

Shri Rishi Baid, aged 46 years, is an Executive Director of the Company. He holds a Bachelor of Science degree in mechanical engineering and a master's degree of science in mechanical engineering from West Virginia University, USA. He has over 21 years of experience in manufacturing, operations and R&D of disposable medical devices. He has been associated with the Company since its incorporation.

Number of Board Meetings

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

During the financial year ending 31st March 2018, the Board of Directors met four times on 10th May, 2017, 12th August, 2017, 4th November, 2017 and 13th February, 2018. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The names, designation & categories of the Directors on the Board, their attendance at respective Board Meetings held during the year and last Annual General Meeting and total number of Shares held by them in the Company are as under:

Details of the Board of Directors

Name of the Directors	Category of Directorship	No. of Board Meetings attended /held	Last AGM Attended	No. of Directorship in other Companies	Committee Positions*		No. of Shares as on 31st March, 2018
					Member	Chairman	
Shri D.R. Mehta (DIN: 01067895)	Non-Executive Independent Director	4/4	Yes	8	7	4	NIL
Shri J.K. Baid (DIN: 00077347)	Non-Executive Director	4/4	Yes	1	1	-	22,79,376
Shri P.C. Surana (DIN: 00361485)	Non-Executive Independent Director	4/4	Yes	2	1	3	2,098
Shri Y.S. Choudhary (DIN: 00006906) #	Non-Executive Independent Director	2/4	Yes	-	-	-	4,472
Dr. S.R. Mehta (DIN: 02132246)	Non-Executive Independent Director	4/4	Yes	5	3	1	NIL
Shri Himanshu Baid (DIN: 00014008)	Managing Director	4/4	Yes	7	2	3	80,74,624
Shri Rishi Baid (DIN: 00048585)	Executive Director	4/4	Yes	4	2	-	98,26,048
Smt. Mukulika Baid (DIN:02900103)	Non-Executive Director	4/4	Yes	-	1	-	30,62,400
Dr. Sandeep Bhargava (DIN:07736003)	Non-Executive Director	3/4	Yes	-	1	-	NIL

* *Chairmanship/Membership of Audit Committee and Shareholders' Grievance Committee in Public Companies including Poly Medicure Limited has been considered.*
Video/Tele-conferencing facilities are used to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings.

\# *Shri Y. S. Choudhary ceased to be a Director w.e.f. 23rd December, 2017 due to his sad demise.*

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

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

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

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

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

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

Recording minutes of proceedings at Board and committee meetings
The Company Secretary records the minutes of proceedings of each Board and Committee meeting. Draft Minutes are

circulated to Board/Board Committee(s) members for their comments. The minutes are entered in the minute's book within 30 days from the conclusion of the meeting.

Compliance

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

Familiarisation programme for Independent Directors

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

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

2. COMMITTEES OF THE BOARD

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

Procedure at Committee Meetings

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

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

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

Terms of reference and other details of Board Committees

Audit Committee

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

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered;
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - ❖ Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
  - ❖ Changes if any, in accounting policies and practices and reasons for the same
  - ❖ Major accounting entries involving estimates based on the exercise of judgment by management
  - ❖ Significant adjustments made in the financial statements arising out of audit findings
  - ❖ Compliance with listing and other legal requirements relating to financial statements
  - ❖ Disclosure of any related party transactions
  - ❖ Qualifications/modified opinion(s) in the draft audit report
- Reviewing with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing with the management, the statement of uses / pplication of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement

of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board;

- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism.
- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Oversee financial reporting controls and process for material subsidiaries;
- Oversee compliance with legal and regulatory requirements including the Polymed Code of Conduct ("PCoC") for the Company and its material subsidiaries;
- To mandatorily review the following information:
  - ❖ Management discussion and analysis of financial condition and results of operations;
  - ❖ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - ❖ Management letters / letters of internal control weaknesses, if any, issued by the statutory auditors;
  - ❖ Internal audit reports relating to internal control weaknesses, if any; and
  - ❖ The appointment, removal and terms of remuneration of the chief internal auditor.

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

iv. The previous annual general meeting (AGM) of the Company was held on September 28, 2017 and was attended by Shri Prakash Chand Surana, Chairman of the Audit Committee.

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

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

* Shri Y. S. Choudhary ceased to be a Director w.e.f. 23rd December, 2017 due to his sad demise.

Shri D. R. Mehta was appointed as a member in Audit Committee on 13th February, 2018

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

10th May, 2017; 12th August, 2017; 4th November, 2017 and 13th February, 2018

The necessary quorum was present for all the meetings.

Nomination & Remuneration Committee

Composition of the Committee

The Company had a Nomination and Remuneration Committee of directors. The Committee's constitution and terms of reference is in compliance with the provisions of the Act and Regulation 19 and 20 of SEBI (LODR) Regulations, 2015. The Committee comprises of 3 (three) members of the Board, the details of the member are as follows:

Name of the Members	Category/ Position	No. of Meetings attended / held	Sitting Fees (₹)
Shri Y.S. Choudhary *	Independent Director / Chairman	1/1	25,000
Shri. D. R. Mehta	Independent Director / Member	1/1	25,000
Shri P.C. Surana	Independent Director / Member	1/1	25,000
Dr. Sandeep Bhargava #	Independent Director / Member	N.A	Nil

* Shri Y. S. Choudhary ceased to be a Director w.e.f. 23rd December, 2017 due to his sad demise.

\# Dr. Sandeep Bhargava was appointed as a member in Nomination and Remuneration Committee on 13th February, 2018.

During the year, under review, a meeting of Nomination and Remuneration Committee was held on the 10th May, 2017.

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

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

Remuneration Policy

(i) **Managing Director and Executive Director**

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

(ii) **Non-Executive Directors**

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

Details of the sitting fees, commission and salary paid to all the Directors for the year ended on 31st March, 2018 are given hereunder:

(₹ in lacs)

Name of the Members	Salary Perqui-sites	Commis-sion	Sitting Fees	Total
Shri D.R. Mehta	-	7.50	2.50	10.00
Shri J.K. Baid	-	7.50	2.25	9.75
Smt. Mukulika Baid	-	7.50	2.00	9.50
Shri Y.S. Choudhary #	-	-	1.75	1.75
Shri P.C. Surana	-	7.50	3.50	11.00
Dr. S.R. Mehta	-	7.50	3.00	10.50
Dr. Sandeep Bhargava	-	7.50	1.50	9.00
Shri Himanshu Baid	139.25*	275.00	-	414.25
Shri Rishi Baid	132.28*	275.00	-	407.28

\# Shri Y. S. Choudhary ceased to be a Director w.e.f. 23rd December, 2017 due to his sad demise.

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

Independent Director Meeting

During the year under review, the independent Directors met on 10th May 2017, inter-alia to discuss:

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

Stakeholders Relationship Committee

Composition of Committee

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

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

During the year, under review, a meeting of Stakeholders Relationship Committee was held on the 12th August, 2017.

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

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

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

Details of Investor Complaints received and redressed during the year 2017-18 are as follows:

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

No complaint was outstanding as on 31st March, 2018.

Corporate Social Responsibility Committee

Composition of Committee

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

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

Smt. Mukulika Baid was appointed as a member in CSR Committee on 4th November, 2017 in place of Shri Himanshu Baid.

During the year, under review, a meeting of Corporate Social Responsibility Committee was held on the 10th May, 2017.

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

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) policy indicating initiatives to be undertaken by the Company in compliance with provisions of Companies Act, 2013 and rules there made under.
- To recommend the amount of expenditure to be incurred on the CSR initiatives.

- To monitor the implementation of the framework of the CSR policy.
- To approve the Corporate Social Responsibility Report and oversee the implementation of sustainability activities.
- To observe Corporate Governance Practices at all levels and to suggest remedial measures wherever necessary.

3. GENERAL BODY MEETINGS

Annual General Meetings conducted during the last three years viz. FY 2014-15, FY 2015-16 and FY 2016-17 are as follows:

Meeting	Date and Time	Venue
20th AGM	Monday, 28 September, 2015 at 10:00 a.m.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi - 110016.
21st AGM	Tuesday, 27 September, 2016 at 10:00 a.m.	
22nd AGM	Tuesday, 28 September, 2017 at 10:00 a.m.	

Special resolution passed in last three AGM:

20th AGM held on 28 September, 2015

- To approve ESOP Scheme 2015
- To approve for taking land and building on lease from M/s. Vitromed Healthcare, Jaipur.
- To approve for purchasing certain plant and machinery from M/s. Vitromed Healthcare, Jaipur.

21st AGM held on 27 September, 2016

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

22nd AGM held on 28 September, 2017

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

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

- NIL

4. DISCLOSURES

a) **Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.**

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

b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

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

c) **Whistle Bowler Policy/Vigil Mechanism**

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

d) **Disclosure of Accounting Treatment**

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

e) **Risk Management**

Business risk evaluation and management is an ongoing process within the Company. During the year under review, a detailed exercise on 'Risk Assessment and

Management' was carried out covering the entire gamut of business operations and the Board was informed of the same.

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

g) **Code of Conduct and Corporate ethics**
As a responsible corporate citizen, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies, which act as guiding principles for carrying business in ethical way.
Some of our policies are :

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

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

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

j) Details of Compliance with Mandatory Requirements and adoption of the Non-Mandatory Requirements
The Company has complied with all the mandatory requirements under the Listing Agreement and SEBI (LODR) Regulations, 2015.

5. MEANS OF COMMUNICATION

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

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

6. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting Day, Date and Time & Venue	Wednesday, 26th Day of September, 2018 at 10 a.m. at NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi-110016
CIN No.	L40300DL1995PLC066923
Financial Year	1st April, 2017 to 31st March, 2018
Date of Book Closure	20th September, 2018 to 26th September, 2018 (both days inclusive)
Listing of Equity Shares on Stock Exchange(s)	Bombay Stock Exchange Limited (BSE):- P. J. Towers, Dalal Street, Mumbai 400 001. National Stock Exchange of India Limited: - Exchange Plaza, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051
Stock Code	BSE Code: POLYMED, Scrip Code: 531768. NSE Code: POLYMED
Registrar and Transfer Agents	MAS Services Ltd. T-34, IInd Floor, Okhla Industrial Area, Phase II, New Delhi -110020.

Dematerialization of Shares and Liquidity	The Shares of the Company are under compulsory D-MAT mode. Under the depository system the International Security Identification Number (ISIN) allotted to the Company. Respective ISIN is INE205C01021.
Plants Locations	**Unit-I :** Plot No. 104-105, Sector -59, HSIIDC Industrial Area, Ballabhgarh, Faridabad-121004 (Haryana), India. **Unit-II (100% EOU)** : Plot No. 115-116, Sector-59, HSIIDC Industrial Area, Ballabhgarh, Faridabad-121004 (Haryana), India. **Unit III :** Plot No. 17, Sector-3, I.I.E SIDCUL, Haridwar-249403, (Uttarakhand), India **Unit IV (SEZ) :** Plot No. PA-010, P.O., Mahindra World City (Jaipur) Ltd. SEZ, Tehsil, Sanganer, Jaipur-302037 (Rajasthan), India. **Unit V :** Plot No. 34, IMT, Faridabad-121004 (Haryana), India.
Address for Shareholders' correspondence	**Registrar and Transfer Agent** Shri Sharwan Mangla M/s. Mas Services Ltd. T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 Phone : 011-26387281, 26387282 Fax No. 011- 26387384 E-mail : mas_serv@yahoo.com, Website: www.masserve.com **Registered Office of the Company** The Company Secretary M/s Poly Medicure Limited 232-B, IIIrd Floor, Okhla Industrial Estate, Phase-III, New Delhi-110020 Phone : 011-26321838 Fax No. 011-26321894 Email : investorcare@polymedicure.com Website : www.polymedicure.com

Physical Share Transfer System

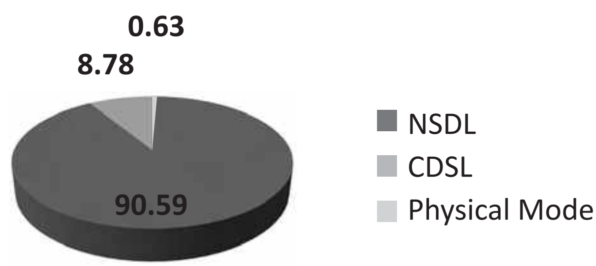
The Registrar and Transfer Agents (RTA) on receipt of transfer deed with respective Share Certificates, scrutinizes the same and verify signatures of transferors on the transfer deed with specimen signatures registered with the Company. A list of such transfers is prepared and checked thoroughly and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

Dematerialization of Shares

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with provisions of Depositories Act, 1996 with National Securities Depository Services (India) Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both the Depositories for the benefit of the Shareholders. The status of Dematerialization of the Company's Shares as on 31st March, 2018 is as under:

Mode	No. of Shares	%age
Physical Mode	554300	0.63
NSDL	79924627	90.59
CDSL	7747953	8.78
Total	**8,82,26,880**	**100.00**

Status of D-materlization of Shares



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

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

Listed on Stock Exchange(s)

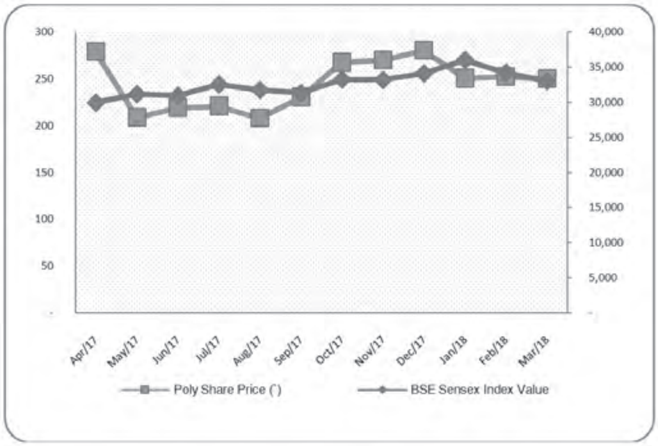
Name of the Stock Exchange(s)	Stock Code
Bombay Stock Exchange Limited	531768
National Stock Exchange of India Limited	POLYMED

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

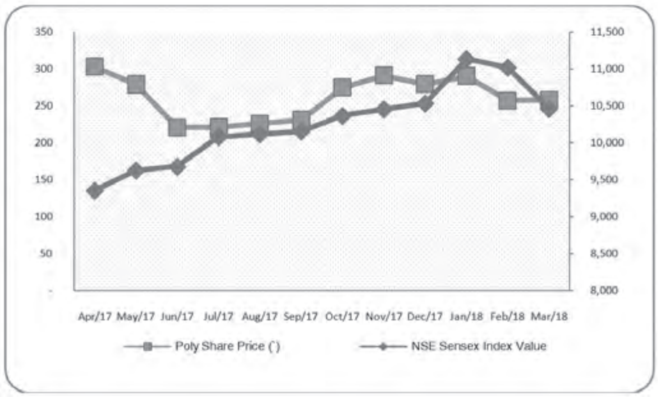
Month	BSE (In ₹)		NSE (In ₹)	
	High Price	Low Price	High Price	Low Price
Apr-17	319.90	258.85	319.80	256.60
May-17	283.55	204.25	285.00	206.00
Jun-17	233.70	199.80	234.00	200.00
Jul-17	223.60	208.00	223.90	208.00
Aug-17	229.50	204.00	227.00	201.40
Sep-17	246.05	190.10	248.00	191.20
Oct-17	289.00	223.00	290.00	224.70
Nov-17	302.60	261.70	303.00	262.50
Dec-17	289.90	266.30	283.00	262.00
Jan-18	305.00	248.50	303.45	248.95
Feb-18	263.65	238.05	264.90	238.00
Mar-18	263.10	237.10	261.50	243.40

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

BSE



NSE



Distribution of Shareholding of Poly Medicure Limited as on 31st March, 2018

Nominal value of each Share ₹ 5 each.

No of share holders	% to Total	Shareholding of nominal value of (in ₹)	No of Shares	% to Total
4826	87.238	1 to 5000	738293	0.837
236	4.266	5001 to 10000	355101	0.402
168	3.037	10001 to 20000	505950	0.573
70	1.265	20001 to 30000	350380	0.397
69	1.247	30001 to 40000	516466	0.585
19	0.343	40001 to 50000	175484	0.199
62	1.121	50001 to 100000	910878	1.032
82	1.482	100001 and above	84674328	95.973
5,532	100.00	**Total**	**88226880**	**100.00**

Particulars	No.	No. of shares	% age
(A) Shareholding of Promoter and Promoter group			
1. Indian	16	4,27,91,352	48.50
2. Foreign	2	2,27,200	0.26
Total (A)	**18**	**4,30,18,552**	**48.76**
(B) Public Shareholding			
1. Institution	13	4838548	5.48
2. Non Institution	5,501	40369780	45.76
Total (B)	**5,514**	**4,52,08,328**	**51.24**
(C) Shares held by custodian and against which Depository Receipts have been issued			
1. Promoter and Promoter Group	0	0	0
2. Public	0	0	0
Total (C)	**0**	**0**	**0**
Total A+B+C	**5,532**	**8,82,26,880**	**100**

Unclaimed Dividend on Equity Shares

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

Review of Legal / Statutory Compliances Report

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

Unclaimed Dividend on Equity Shares

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

Review of Legal / Statutory Compliances Report

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

Code for Prevention of Insider Trading Practices

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

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

Risk Management Policy

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

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

Subsidiary Companies

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

Code of Conduct by CEO

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

As provided under regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 all the Board members and Senior Management Personnel have affirmed compliance to the Code of Conduct of the Company for the period from 1st April, 2017 to 31st March, 2018. The declaration received from Shri Himanshu Baid, Managing Director, in this regard is also given in this report.

New Delhi	D. R. Mehta	Himanshu Baid
1st August, 2018	Chairman	Managing Director

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

To
The Board of Directors
Poly Medicure Limited

1. We have reviewed the financial statements and the cash flow statement of Poly Medicure Limited for the year ended 31st March, 2018 and to the best of our knowledge and belief:-

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

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

2. There are to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2018, which are fraudulent, illegal or violate the Company's code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting.
We have not come across any reportable deficiencies in the design or operation of such internal controls.

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

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

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

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

New Delhi	Himanshu Baid	J. K. Oswal
1st August, 2018	Managing Director	CFO

Declaration by Chief Executive Officer

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

New Delhi	Himanshu Baid
1st August, 2018	CEO/Managing Director

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	As at March 31, 2017	As at 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	As at March 31, 2017	As at 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

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

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

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 : 10.05.2018

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**

B. Other equity

(₹ in Lacs)

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**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

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**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

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.

Notes on Standalone Ind AS Financial Statement for the year ended 31.03.2018

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)

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	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.

12 OTHER BANK BALANCES

(₹ 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
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	As at 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

(₹ in Lacs)

19 BORROWINGS - CURRENT

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

b Obligations and commitments outstanding:

(₹ in Lacs)

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 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

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

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

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	As at March 31, 2017	As at 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
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 : 10.05.2018

J.K.Oswal
CFO

Avinash Chandra
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 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**	**(200.72)**	**13,286.35**

(₹ in Lacs)

March 31, 2017	Opening Balance	Cash Flow	Non Cash Flow 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

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 : 10.05.2018

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		
Balance 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 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	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**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

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**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

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 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	**26,441.28**	**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 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 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.

Notes on Consolidated Ind AS Financial Statement for the year ended 31.03.2018

(₹ 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	Net Balance (01.04.2017)	As at 31 March 2018 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	Balance as at 1.04.2016	As at 31 March 2017 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
<u>Fixed</u>			
Cash credit and other facilities	**3,817.81**	6,779.38	3,420.56
<u>Variable</u>			
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 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:

	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:

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	**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
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

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

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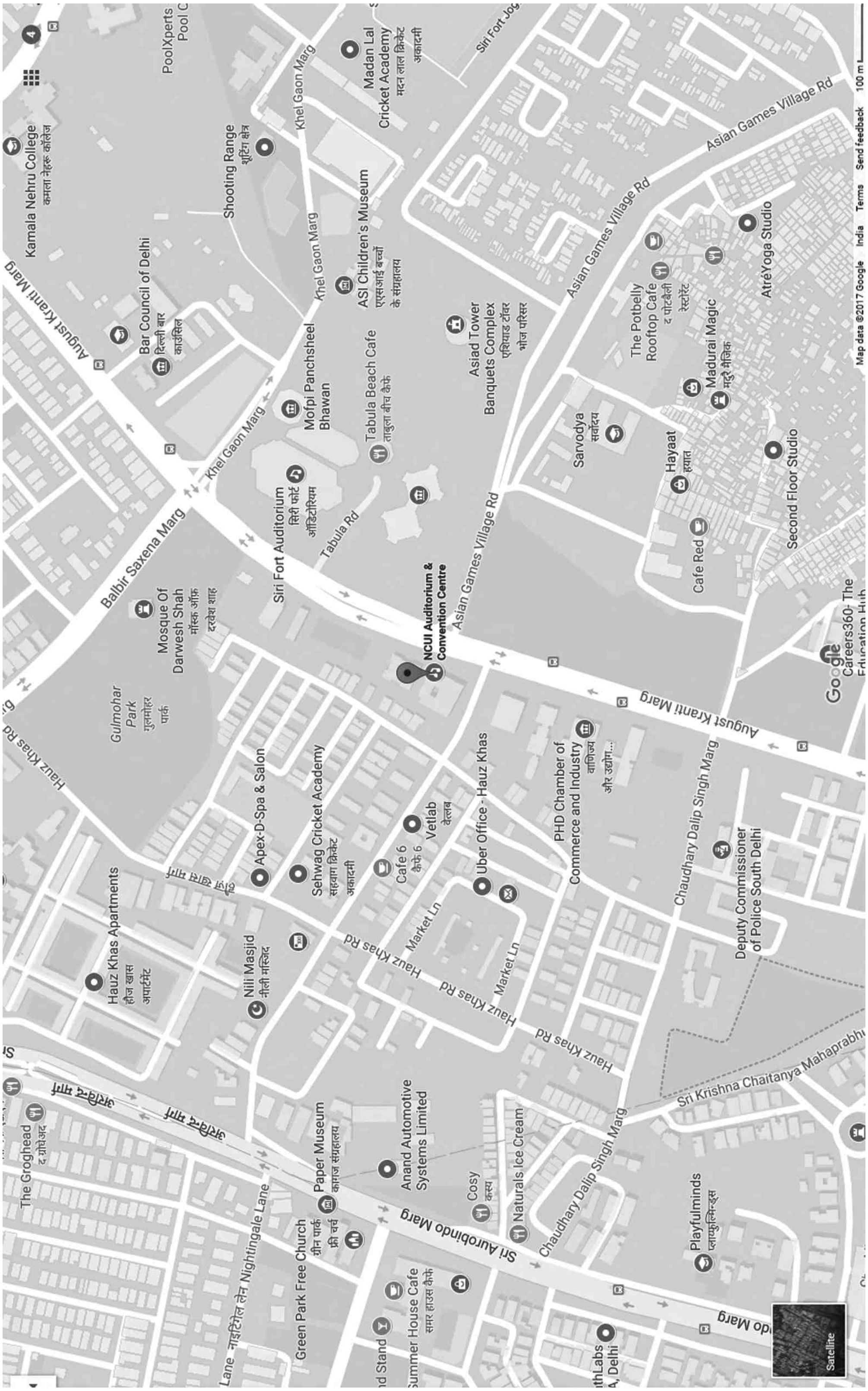
SIRI FORT ROAD, NEW DELHI



Form No. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L40300DL1995PLC066923
Name of the Company : Poly Medicure Limited
Registered Office : 232-B, IIIrd Floor, Okhla Industrial Estate, Phase-III, New Delhi- 110020

Name of the member(s) : ....

Registered address : ....

E-mail Id :..

Folio No/ Client Id :... DP ID : ....

I/We, being the member (s) of .... shares of the above named company, hereby appoint

1. Name : ....

   Address : ....

   E-mail Id : ....

   Signature :.. , or failing him / he

2. Name : ....

   Address : ....

   E-mail Id : ....

   Signature :.. , or failing him / her

3. Name : ....

   Address : ....

   E-mail Id : ....

   Signature :.. , or failing him / her as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Wednesday, the 26th day of September, 2018 at 10:00 a.m. at Alpha Hall, 2nd Floor, National Co-operative Union of India, 3, Siri Institutional Area, August Kranti Marg, New Delhi- 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
1.	Adoption of Audited Financial Statement of the Company for the financial year ended March 31, 2018 together with, the reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2018 together with the report of Auditors thereon.
2.	To Declare dividend on the equity shares for the financial year ended March 31, 2018.
3.	Appointment of Director in place of Shri Jugal Kishore Baid (DIN No. 00077347) who retires by rotation and is eligible for re-appointment.
4.	Ratification of appointment of M/s. Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N), as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.
5.	To appoint Shri Alessandro Balboni (DIN No. 08119143) as a Non-Executive Director.
6.	To enter into Job work Contract with M/s. Vitromed Healthcare, Jaipur.
7.	Ratification of Remuneration to M/s. Jai Prakash & Company, Cost Accountants appointed as Cost Auditors of the Company for the Financial Year 2018-19.

₹ 1
Revenue
Stamp

Signed this .... day of 2018

Signature of shareholder .... Signature of Proxy holder(s) ....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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E-mail: investorcare@polymedicure Web: www.polymedicure.com
Works:
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Unit-II : Plot No. 115-116, Sector-59, HSIIDC Industrial Area, Ballabgarh, Faridabad-121004 (Haryana)
Unit-III : Plot No. 17, Sector-3, I.I.E Sidcul, Haridwar-249403 (Uttarakhand)
Unit-IV : Plot No. PA010-019, Mahindra World City, (SEZ) Jaipur - 302037 (Rajasthan)
Unit-V : Plot No. 34, Sector-68, IMT, Faridabad-121004 (Haryana)

we Care as we Cure...