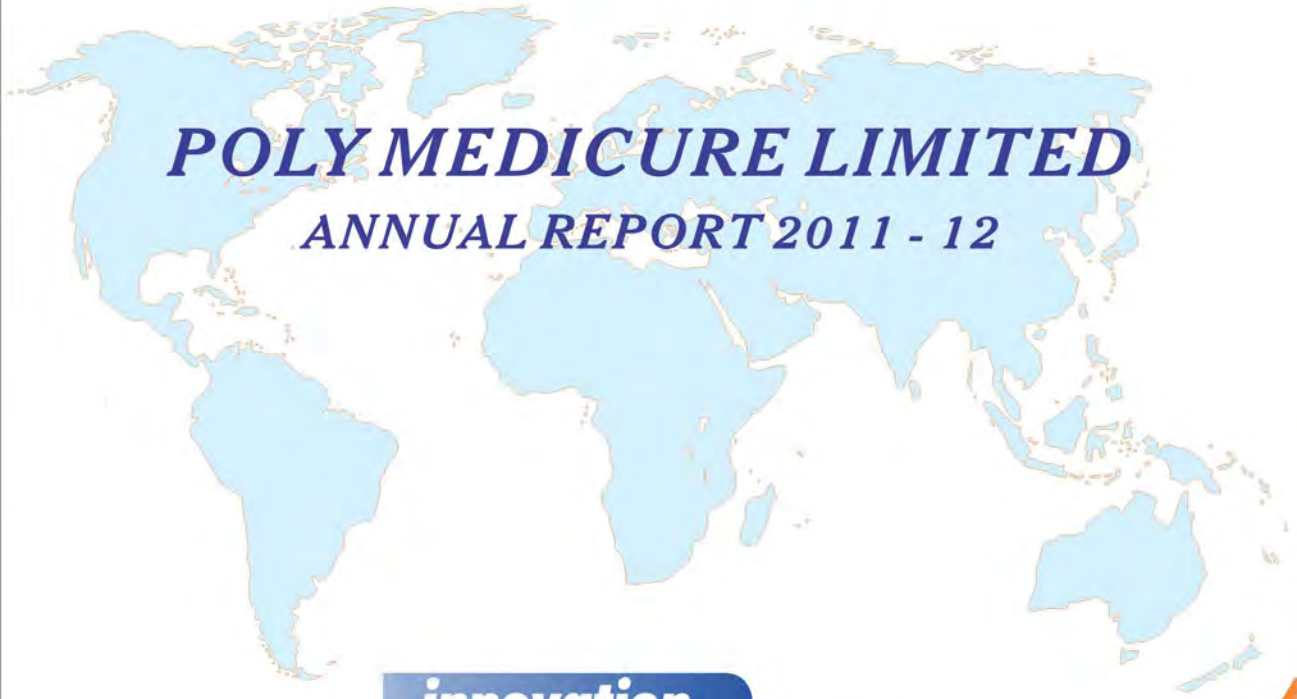
POLYMED
Medical Devices

POLY MEDICURE LIMITED

ANNUAL REPORT 2011 - 12



innovation

safety

quality

we Care as we Cure™...

Board of Directors

Devendra Raj Mehta
Chairman

Dr. Sohan Raj Mohnot
Independent Director

Jugal Kishore Baid
Director

Yeshwant Singh Choudhary
Independent Director

Prakash Chand Surana
Independent Director

Dr. Shailendra Raj Mehta
Additional Director (w.e.f. 28th may 2012)

Himanshu Baid
Managing Director

Rishi Baid
Executive Director

Company Secretary
Sonia Singh

Key Executives
Vishal Baid,
President (Corporate Business)

Deepak Gupta
Sr. VP (OPEX, HR & Admin)

V.K. Khera,
V P (Operations)

J.K. Oswal,
V P (Finance)

Hemant Bhalla,
A V P (Sales & Marketing)

H. V. Suresh,
Sr. G M (R & D)

Auditors
M/s Doogar & Associates
New Delhi

Bankers
State Bank of India
Citibank N.A.

Registrar & Share Transfer Agents
MAS Services Limited,
T-34, 2nd Floor,
Okhla Industrial Area, Phase-II,
New Delhi-110020

Registered Office
First Floor, 12, Sant Nagar, East of Kailash,New Delhi – 110065
Ph. 91-11-26481889, 26481893, 26481899
Fax : 91-11-26481894, 26481839
E-mail : investorcare@polymedicure.com
Website :www.polymedicure.com

Contents

1	• Letter to Shareholders
2	• Notice of AGM
7	• Directors' Report
17	• Report on Corporate Governance
29	• Auditors' Report
32	• Financial Statements
59	• Auditors' Report on Consolidated Financial Statements
60	• Consolidated Financial Statements
85	• Statement pursuant to Section 212 of the Companies Act, 1956

LETTER TO THE SHAREHOLDERS

Dear Valued Shareholders,

It gives me immense pleasure to share with you another year of impressive performance by the Company.

Buffeted by global slowdown, India's growth estimates have moderated, but the long term perspective is still reassuring because our economy's fundamentals remain strong. The demand for medical devices is expected to remain buoyant on account of factors like, increasing life expectancy, spread of health consciousness, medical insurance and growing health care initiatives by the Government.

Your Company's total income increased from ₹ 170.06 crore to ₹ 209.54 crore during the year, registering a healthy growth of 23.21%. Likewise, EBIDTA expanded to ₹ 45.77 crore as against ₹ 36.66 crore during the year, which translates into an increase of 24.85%. The improvement in operational profitability has been possible mainly due to adoption of various waste control and cost cutting measures and contribution from expansion and diversification projects undertaken in earlier years.

In the year under review, the Company has further strengthened its competitive capabilities to deliver more consistent growth. The fundamentals of the Company are robust and remain the source of confidence for future.

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

I would like to appreciate the efforts of all the employees of the organization for taking the company to greater heights once again. This achievement would not have been possible without their whole hearted and unstinting efforts.

I would also like to take this opportunity to thank all my colleagues on the board and all stakeholders like, share holders, banks, members of our supply chain and business partners for continued commitment and support. I gratefully acknowledge the confidence and faith reposed by the Shareholders in the Board and the Management Team has been inspiring the Company to take on more challenges.

Devendra Raj Mehta
Chairman

New Delhi
Date: 31st July, 2012

NOTICE

Notice is hereby given that the **17th ANNUAL GENERAL MEETING** of the members of "**Poly Medicure Limited**" will be held on Friday, the 28th September, 2012 at 10:00 a.m at NCUI Auditorium, 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 Balance Sheet of the Company as at 31st March, 2012, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended on 31st March, 2012.
3. To appoint a Director in place of Dr. Sohan Raj Mohnot, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Prakash Chand Surana, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s Doogar & Associates, Chartered Accountants (Regn 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 and to fix their remuneration.

Special Business

6. **Appointment of Dr. Shailendra Raj Mehta as a Director of the Company.**

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

RESOLVED THAT Dr. Shailendra Raj Mehta who was appointed as an additional Director of the Company by the Board of Directors under Article 78 of the Article of Association of the Company with effect from Monday, the 28th May, 2012 and who holds office under the said Article and pursuant to Section 260 of the Companies Act, 1956 ("the Act") upto the date of this Annual General Meeting, and who is eligible for re-appointment under the relevant provisions of the Companies Act, 1956 ("the Act"), and in respect of whom the Company has received a Notice in writing from a member signifying his intention to propose him as a candidate for the office of the director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

Place: New Delhi **By order of the Board of Directors**
Date: 31st July, 2012 For **Poly Medicure Limited**

Registered Office:
First Floor, 12
Sant Nagar, East of Kailash
New Delhi – 110065

Sonia Singh
Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members/Proxies should produce the enclosed attendance slip duly filed in and signed in accordance with the specimen signature registered with the Company for attending the meeting and also bring their copy of the Annual Report.
3. Corporate Members intending to send their authorized representatives, are requested to send duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting so as to reach the Company on or before Friday, 28th September, 2012.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 17th September, 2012 to Friday, the 28th September, 2012 (both days inclusive).
5. The Register of Directors shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.

6. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the members at the Registered Office of the Company.

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

8. Dividend on Equity Shares as recommended by the Board, if approved, at the ensuing Annual General Meeting will be paid to those Members whose names appear on the Company's Register of Members as on Monday, 17th September, 2012. The dividend in respect of Shares held in electronic form, will be paid to the beneficial owner of Shares whose name appear in the list furnished by the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

9. 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.

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

11. Recognizing the spirit of the circular issued by the MCA, the Company is sending documents like Notices convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report for the year ended on 31st March, 2012 to the E-mail address provided by the members with the Depositories. However, in case a Member wishes to receive a physical copy of the said documents, he/she is requested to send an e-mail to investorcare@polymedicure.com quoting his DP ID & Client ID or the Folio No. as the case may be.

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

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

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

15. Since the Company's shares are in the compulsory demat trading mode, to ensure better services and elimination of risk of holding Shares in physical form, we request to the shareholders holding shares in physical form to dematerialize their shares at the earliest.

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

17. The Securities Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the Depository

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

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

Place: New Delhi **By order of the Board of Directors**
Date: 31st July, 2012 For **Poly Medicure Limited**

Registered Office: **Sonia Singh**
First Floor, 12 **Company Secretary**
Sant Nagar, East of Kailash
New Delhi – 110065

Annexure to the Notice:

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956.

Item No. 6:-. The Board of Directors ("The Board"), at its meeting held on Monday, 28th May, 2012, appointed Dr. Shailendra Raj Mehta as an additional Director of the Company with immediate effect, pursuant to section 260 of the Companies Act, 1956 read with Article 78 of the Article of Association of the Company.

In terms of the provision of Section 260 of the Companies Act, 1956, Dr. Shailendra Raj Mehta will hold office up to the date of ensuing Annual General Meeting. The Company has received Notice in writing from a member along with deposit of ₹ 500 for proposing the candidature of Dr. Shailendra Raj Mehta for the office of the Director of the Company under the provisions of Section 257 of the Companies Act.

Dr. Shailendra Raj Mehta is qualified to be appointed as a Director in terms of section 274(1)(g) of the Companies Act, 1956. The Companies has received the requisite form DD A from Dr. Shailendra Raj Mehta, in terms of the Companies (Disqualification of Directors under section 274(1)(g) of Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Dr. Shailendra Raj Mehta is Visiting Professor of Business Policy at the Indian Institute of Management, Ahmedabad and Academic Director of Duke Corporate Education, Duke University in the US. He has strong research interests in the areas of Technology Strategy, Entrepreneurship and Simulation. His research on Simulation has resulted in the creation of Hi-tech Company and a US patent. He has taught/ consulted with Senior Leaders worldwide of IBM, Microsoft, Infosys, State Bank of India and others.

He obtained his BA and MA degrees from Delhi University, M. Phil from Balliol College Oxford and Ph.D. in Economics from Harvard.

Keeping in the view, the valuable experience and background of Dr. Shailendra Raj Mehta, the Board considers it desirable for the Company that he continues as a director of the Company.

No director, except Dr. Shailendra Raj Mehta, is interested or concerned in the Resolution.

New Delhi **By order of the Board of Directors**
31st July, 2012 For **Poly Medicure Limited**

Registered Office: **Sonia Singh**
First Floor, 12 **Company Secretary**
Sant Nagar, East of Kailash
New Delhi – 110065

Details of Directors Seeking Appointments/Re-appointments at the Annual General Meeting of the Company

Particulars	**Dr. Sohan Raj Mohnot**	**Sh. Prakash Chand Surana**	**Dr. Shailendra Raj Mehta**
Date of Birth	15/03/1929	09/02/1947	09/07/1959
Date of Appointment	22/09/1997	22/09/1997	28/05/2012
Qualifications	Ph. D., C.M.C., F.I.M.C.I., F.I.S.T.D.	Chartered Accountant	B.A. M.A. From Delhi University, M. Phill from Balliol College Oxfords, Ph.D. in Economics from Harvard.
Expertise in Specific Area	Economic and Management Consultancy.	Taxation and Corporate Laws	Strong Research in Simulation, Technology Strategy and Entrepreneurship Professor of Economics
Directorship held in other Public and Private Companies (Excluding Foreign Companies and Section 25 companies)	• Industrial Techno-Economic Services Private Limited. • Software Di-Oxide Private Ltd. • Allied Electronic and Magnetics Limited. • QAI (India) Limited. • Universal Cylinders Limited. • International Print-O-Pac Limited.	• Mehak Enterprises Private Ltd. • K S Infoways Pvt. Ltd. • S and A Finman Ltd. • Modern IT Solutions Pvt. Ltd. • Techno Media Solutions Pvt. Ltd.	• JMC Projects (India) Limited
Membership/Chairmanship of Committee of other Public Companies (includes only Audit Committee and Shareholders/Investor Grievances Committee)	• International Print-O-Pac Limited.	NIL	NIL
Number of Shares held in the Company	12,000 (Equity Shares)	4,000 (Equity Shares)	NIL

DIRECTORS' REPORT

Your Directors take a pleasure in presenting their Seventeenth Annual Report on the business and operations of your Company along with the audited statements of accounts and financial performance for the year ended on 31st March, 2012. You will be pleased to know that your Company continues to maintain steady growth in its operating and financial performance during the Financial Year 2011-12.

Financial Performance

(₹ in Lacs)

Parameters	F.Y. 2011-12	F.Y. 2010-11
Revenue from Operations (Net)	20,891.86	16,966.75
Add: Other Income	61.95	39.31
Total Revenue	20,953.81	17,006.06
Profit before Interest, Tax, Depreciation and Amortisation (EBITDA)	4,577.28	3,666.20
Depreciation & Amortisation Expenses.	995.52	858.79
Finance Cost	693.36	414.53
Profit Before Tax	2,888.40	2,392.88
Tax Expense	962.44	223.86
Profit for the Year	1,925.96	2,169.02
Total amount available for appropriation	4,197.33	3,653.51
Proposed Dividend	330.38	330.38
Dividend Tax	53.60	54.87
Amount transferred to General Reserve	1,000.00	1,000.00
Surplus carried to Balance Sheet	2,813.36	2,271.37
Earning Per Share (EPS in ₹)	17.49	19.70

During the year under report, total income increased to ₹ 20,953.81 lacs from ₹17,006.06 lacs in the previous year, registering a growth of 23.21%. EBIDTA amounted to ₹ 4,577.28 lacs as against ₹ 3,666.20 lacs in the preceding year which translates into an expansion of 24.85%. Profit Before Tax (PBT) stood at ₹2,888.40 lacs up by 20.71% from ₹ 2,392.88 lacs in the previous year. However, the profit after tax declined to ₹ 1,925.96 lacs from ₹ 2,169.02 lacs due to higher tax outgo which was due to non availability of tax relief u/s 10B of Income Tax Act 1961.

In the financial year 2010-11, the Company enjoyed favourable tax regime under Section 10B of the Income Tax Act, 1961, the said deduction was available only upto the financial year 2010-11 (assessment year 2011-12), which affects the net profitability of the Company for the year under review.

Despite the higher tax outgo, the Company's results are very reassuring.

Fortunately, the global downturn has not affected the progress of the Company. This manifests the inherent strength, resilience and sustainability for the Company's business.

Expansion Programme

In view of the growing demand for the Company's products, the Company is in the process of expanding its installed capacity by approx. 20% in the current financial year, at a capital cost of ₹ 4,200 lacs. A sum of ₹ 2,500 lacs is proposed to be raised by way of debt and the balance will be met from internal accruals.

Development of New Products

The Company is following suitable programmes for Research & Development and has dedicated technical staff and facilities for the development of new products, improvement of existing ones, improved manufacturing practices and for this purpose, the Company has spent a sum of ₹ 287.38 lacs in the year under review.

As results of the management strategies, expansion programme, cost cutting and enhanced efficiencies, your Company hopes to achieve reasonably sustained performance and profitability.

Subsidiaries/Joint Ventures

Briefly, the subsidiary companies performed as follows:

Poly Medicure (Laiyang) Co. Ltd, China - The Company achieved a turnover of ₹ 812.07 lacs as on 31st March, 2012 against ₹ 328.38 lacs in the previous year ended on 31st March, 2011.

US Safety Syringes Co., LLC, USA – The Company is not carrying on any business activities at present.

The Company has one Joint Venture in Egypt, viz.,

Ultra for Medical Products, Egypt - The Joint Venture is performing well and has achieved sales of ₹2,834.36 lacs during the year 2011 against ₹ 2,579.46 lacs in the previous year ended on 31st December 2010.

Dividend

Keeping in view the financial performance of the Company, yours Directors are pleased to recommend a dividend @ ₹ 3.00 per equity share of ₹ 10/- each for the financial year 2011-12. The dividend, if approved at the ensuing Annual General Meeting, will be paid to those Shareholders whose names appear on the Register of Members of the Company as on the date of book closure, i.e., from Monday, 17th September, 2012 to Friday, 28th September, 2012 (inclusive of both days). In respect of shares held in demat form, it will be paid to the Members whose names are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on the date of book closure. This would involve an outflow of ₹ 330.38 lacs towards dividend and ₹ 53.60 lacs towards dividend distribution tax, resulting in a total outflow of ₹ 383.98 lacs.

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

During the Year under review, the Company has transferred ₹ 41,725.50, lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection fund (IEPF) in compliance with Section 205 C of the Companies Act, 1956, read with Investor Education & Protection Fund (Awareness and Protection of Investors) Rules, 2001. The said amount represents the dividend for the year 2003-04 which remained unclaimed by the shareholders of the Company for a period exceeding 7 years from its due date of payment.

Transfer to Reserves

The Board of Directors has proposed to transfer ₹1,000.00 lacs to General Reserves out of the amount available for appropriations and balance of ₹ 925.96 lacs is being carried to the Balance Sheet.

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

The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated 8th February 2011, has provided an exemption to companies from complying with Section 212(8), provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2011-12 does not contain the Financial Statements of the subsidiary companies. The audited annual accounts and related information of subsidiary companies will be made available on request to the shareholders. These documents will also be available for inspection during the business hours at the Registered Office.

Fixed Deposits

Your Company has not accepted any Fixed Deposit within the meaning of Section 58A of the Companies Act, 1956.

Quality

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

Credit Rating

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

Awards & Recognition(s)

In view of standards of excellence achieved and assiduously pursued by the Company, the awards and recognitions in various fields have been conferred upon the Company. The Shareholders will be happy to know that the Company has received Outstanding Exports award in recognition of commendable contribution to Pharmaceuticals Exports from India for the year 2010-11 by Pharmaceuticals Export Promotion Council.

Listing of Shares at National Stock Exchange of India Limited (NSE).

During the year under review, your Company has received listing approval from the National Stock Exchange of India Limited (NSE) vide letter dated 07th December, 2011. The Shares of the Company are regularly traded at National Stock Exchange of India Limited (NSE).

Foreign Currency Exposure

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

We have put control mechanisms to mitigate the risk. The currency exposures are managed through Foreign Risk Management and Hedging policy. The exposure is reviewed periodically to ensure that the risk is appropriately managed.

Applicability of Companies (Cost Accounting Record) Rules, 2011

The Ministry of Corporate Affairs (M.C.A.) on 3rd June, 2011 has issued a Circular and accordingly, the Company is required to submit Compliance Report for each Financial Year, duly certified by Cost Accountants.

Auditors

M/s Doogar & Associates, Chartered Accountants, (Reg. No. 000561N) Statutory Auditors of the Company hold office upto the conclusion of ensuing Annual General Meeting. The Company has received a letter from them to the effect that their re-appointment, if made by the Company for the year 2012-13 will be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

Secretarial Audit Report

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

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

Employee Stock Options Scheme

The Company implemented the Poly Medicure Employee Stock Options Scheme, 2011, ("Scheme") in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines"). The Employee Stock Compensation Committee, constituted in accordance with SEBI Guidelines, administers & monitors the Scheme.

20,440 Options have been granted during the Financial Year 2011-12. The vesting periods for exercise of options are as follows:

On completion of 24 months from the date of grant of option	50%
On completion of 30 months from the date of grant of option	50%

Exercise price is ₹ 50 each be paid on or before exercise of an option for allotment of Shares.

No employee has been issued stock options, during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

Directors

Dr. Sohan Raj Mohnot and Shri Prakash Chand Surana, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Dr. Shailendra Raj Mehta was appointed as an additional Director on 28th May, 2012 in the capacity of Non - Executive, Independent Director of the Company. As per Section 260 of the Act, an Additional Director holds office only upto the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice under Section 257 of the Companies Act, 1956, from a Shareholder signifying his intention to propose the name of Dr. Shailendra Raj Mehta as Director of the Company.

Brief resume of the aforesaid Directors are furnished in the Corporate Governance Report.

Human Resources Management

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

appreciation for the dedicated and commendable services rendered by all employees of your Company.

Corporate Governance

Your Company remains committed to maintain the best standards of good Corporate Governance practices and adhere to Corporate Governance requirements set out by SEBI.

The report on Corporate Governance along with a certificate from M/s B. K. Sethi & Co., Practicing Company Secretaries confirming compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of Stock Exchange is also annexed and forms part of the 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 March 2012. A declaration to this effect is signed by Sh. Himanshu Baid, Managing Director, and is annexed to this Report.

Directors' Responsibility Statement

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

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

(ii) appropriate accounting policies have been selected and applied them consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2012 and of the Profit of the Company for the year ended on that date;

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

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

Management Discussion and Analysis Report

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

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

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

Particulars of Employees

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

Acknowledgements & Appreciation

Your Directors acknowledge and place on record their sincere appreciation for the valuable support extended by the Government authorities, bankers, and other stakeholders, customers, vendors, employees and all other business partners for their continued co-operation and excellent support received during the year.

The Directors wish to express their deep and warm thanks and best wishes to all the Shareholders for the continued support and trust they have reposed in the Management. The Directors look forward to a bright future and further growth with confidence.

For and on behalf of the Board of Directors

New Delhi	Devendra Raj Mehta	Himanshu Baid
31st July 2012	Chairman	Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

Annexure-I

An Overview: Healthcare

Industry Prospects

The Healthcare Industry in India has experienced remarkable growth of over 12% per year during the last 4 years, driven by a number of factors such as increase in the average life expectancy, average income levels and arising awareness for health insurance among consumers. The Government has developed an all inclusive Policy on Healthcare which aims at achieving a remarkable growth for the industry leading to large number of interesting opportunities such as developing new infrastructure and providing novel medical equipment solutions. The sector holds enormous potential awaiting to be unleashed to its ever increasing potential.

The current National Health Policy aims at increasing the contribution from healthcare to touch more than 2% of the GDP by the end of the current Five Year Plan, a substantial increase from the present contribution of 0.9%. The Government initiatives like National Rural Health Mission (NRHM), National Urban Health Mission (NUHM) and Rashtriya Swasthya Bima Yojana (RSBY) are working towards better healthcare for the poor. In India, out of pocket spending on healthcare is one of the highest, constituting almost 94% of the total spend.

With more and more globalization, the Medical Device Industry is globally experiencing a robust growth of 8% annually. Emerging economies like China, Brazil and India are experiencing double digit growth in Healthcare expenditure. Currently the global medical device market is over USD 200 billion.

According to a Report by Pricewaterhouse Coopers, an estimated 189 million people in the country will be of more than 60 years of age by 2025, needing higher healthcare expenditure. A combined study by an Industry body and Ernst & Young suggest that India will need as many as 1.75 million additional beds by the end of 2025. Further an investment of US$ 86 billion is required to achieve targets of 1 doctor, 2 beds and 2 to 3 nurses per 1000 population by 2025.

The rural Healthcare Sector is also witnessing considerable growth, with the sector adding around 15,000 health sub-centres and employing 28,000 nurses and midwives during the last five years, as per rural health survey of the Ministry of Health. As per the Report, the primary health centres in the country have reached 20,107, growing by 84% percent.

Strong Government Policy Support

The Healthcare Industry in India is reckoned to be one of the main beneficiaries of the Economy's growth in the years to come.

The Union Budget 2012-13 has provided a boost to the Healthcare Industry. For new hospitals with at least 100 beds, earlier 100% deduction for capital expenditure was permitted for taxation purpose. This deduction has been increased upto 150% of capital expenditure. Enhanced rate of deduction linked to capital expenditure is expected to attract more investments in hospitals in the coming years. Besides, the government is extending the concessional rate of 5% of Basic Custom Duty with full exemption from excise duty/CVD to specified life saving drugs. These are used for prevention of ailments such as HIV-AIDS, cancer etc.

The outlay for the National Rural Health Mission has been hiked by 15% to ₹ 208.22 billion for the Financial Year 2012-13. National Urban Health Mission (NUHM) will be launched soon, which is expected to encompass primary healthcare needs of people in the urban and rural areas.

The Pradhan Mantri Swasthya Suraksha Yojna (PMSSY) aimed at setting up of All India Institutes of Medical Sciences (AIIMS) and upgradation of existing Government Medical Colleges, is being expanded to cover upgradation of 7 more Government Medical Colleges.

To promote Research and Development, the Government extended the weighted deduction of 200% for R&D expenditure on in-house facility beyond 31st March, 2012 for a further period of five years.

Business Excellence

The Company's direction towards innovation and sustained business performance continues to align with its ever growing sector.

The Company is now considered to be a leading player in the healthcare sector for quality Medical Devices. The Company has also achieved market leader status in Infusion Therapy Devices and investing in new technologies using state-of-the-art, automation equipment and adopting best manufacturing practices

to further strengthen its position in India as well as developed international markets. The Company is fully committed to its mission, vision and core values and building a knowledge reservoir for future sustainability.

Promising New Opportunities

Booming Medical Tourism in India. The Government's support to improved healthcare infrastructure and rich cultural heritage have taken the Indian Medical Tourism to new heights. India has emerged as one of the world's most efficient medical tourism destinations, and thus, attained a position among the global leaders. Indian Medical Devices and Technology Industry is expected to reach US$ 14 Billion by 2020 as per report by Pricewaterhouse Coopers.

Improving Health Insurance Penetration - With increasing demand for affordable quality healthcare services, the penetration of Health Insurance is poised to grow exponentially in the coming years. The health insurance premium is expected to grow at a CAGR of over 28% for the period spanning from 2008-09 to 2012-13. Larger access to insurance coverage will lead to increased options for treatment of diseases directly benefiting the Healthcare sector.

Increasing Penetration of Private Players - In India, private healthcare accounts for almost 68% of the country's total expenditure. Rising income levels led to greater affordability of superior quality private sector healthcare facilities. A majority of healthcare players are now expanding in Tier II and Tier III cities due to significant demand for high quality, multi-specialty healthcare services and quick treatment modalities. All major healthcare players are also entering into new segments such as primary care and diagnostics. Dynamics of demographics, health awareness and increasing capacity to spend are the key drivers of the private healthcare segment in India.

Rising Income Fuel Demand for Better Quality Healthcare - Due to increase in incidence of lifestyle diseases such as heart related ailments, obesity diseases, diabetes etc, the per capita income on healthcare is likely to increase at CAGR of 13.1% over the period FY 11 to FY 15.

The Company's Role

In pursuance of the foregoing healthcare perspective at the national level, your Company is engaged in making its contribution through its business of manufacture and sale of Medical Devices in both domain markets, viz. domestic and export. The Company's performance is very reassuring in both domains.

Risks, Concern and Threats

Due to inflationary pressure, RBI revised the interest rates several times during the review year, resulting in higher borrowing costs. This is further compounded by frequent increases in fuel prices, increase in raw material costs and changes in government policies. The impact of continuing crisis in Euro Zone and other developed countries has resulted in rupee depreciation. Many global and local players are expanding their manufacturing capacities of medical devices in India and abroad to cater to the anticipated growing demand. There is a concern that it may result in increased supply vis-à-vis demand, resulting in pricing pressure.

Lack of proper paramedical education system and shortage of training institutes will also slow down growth of Healthcare sector. The immigration of qualified doctors, nurses and other medical professionals to developed countries is also creating a shortage of manpower in Healthcare sector. Delay in framing regulatory policy for regulating medical devices and their clinical trials will impact the growth of Medical Device Sector.

Some of the key risks like import duties, higher operating costs, increase in electricity costs, inadequate infrastructure and inadequate protection of Intellectual Property pose threat to Company's business.

The Audit Committee and the Board of Directors have taken full cognisance of the major business and operational risks identified for the Company and steps proposed to be taken to mitigate the same. Accordingly, the Company has undertaken comprehensive risk analysis, whereby all risk factors are accounted for and proper action devised to mitigate such risks.

Internal Control Systems and their Adequacy

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

Some of the salient features of the internal control systems in practice are:

(i) Preparation of Annual Budgets for operations, functions and monitoring the same with actual performance at regular intervals.

(ii) A robust ERP system connecting all the plants enabling to record data for accounting, consolidation and management information and seamless flow of information in the respective plants.

(iii) Internal controls are designed in order to reasonably ensure that assets are safeguarded and transactions are properly authorized and defined delegation of authority for approving revenues as well as expenditure.

(iv) A well defined Standard Operating Procedure (SOPs) which is aligned with the best practices and lays down the process flows along with the controls for each activity for effectiveness of Internal Control.

(v) Internal Audit is carried out at regular intervals covering all the plants. (The observations arising out of the Audit and the follow up action are periodically reviewed at the Audit Committee meetings)

(vi) A detailed presentation to the Audit Committee and to the Board of Directors on business, operational and financial risks faced by the Company and the plan of action to mitigate the same.

(vii) All assets are safeguarded and protected against losses and against unauthorized use or disposals are periodically verified.

Material Development in Human Resources

Development is a core area of the Company's approach to human capital. The management has well defined human resource strategy for the purpose of effective recruitment, based on merit, by following well defined and systematic selection procedure. Reward and recognition systems have also been laid down.

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

HR Framework

The Company has adopted sound reward and recognition system which leads to an impressive career path for executives and workmen. Workmen are rewarded on the basis of their performance, attitude and potential to ensure their general advancement in the society.

During the year, the Company conducted a number of Internal Training Programmes (i) Product Knowledge, (ii) Quality Management System, (iii) Negotiation Skills, (iv) Statistical Process Control, (v) Foreign Trade Policy & Procedures, (vi) Time Management, (vii) Personality Development, (viii) International Organization for Standardization/Quality Management System, (ix) Positive Attitude, (x) Kaizen, (xi) Enterprises Resources Planning, (xii) Good Manufacturing Practices, (xiii) Corporate Behavior, (xiv) Poke Yoke, (xv) Industrial Safety, (xvi) Team Work, (xvii) Failure mode and effects analysis, (xix) Communication Skills, (xx) 5'S, (xxi) Decision Making Skills. Several External Trainings were organized for upgradation of skills of the employees like (i) Six Sigma, (ii) Corrective Action Preventive Action, (iii) International Organizations and Safety Measures 14001, (iv) Occupational Health and Safety Assessment 18001.

Several activities including Kaizen Utsav, Key Results Area (KRAs) and other programmes of Team Building were organized among various levels of the employees to bring work-life balances and improve work quality. Effective cost saving measures have become a major part of the employees work profile. The total number of employees of the Company as on 31st March, 2012 is 1,210.

Value Creation and Wealth Sharing

During the year, the Company crossed a landmark figure of ₹ 200 Cr. turnover. The Company has attempted to enhance shareholder value not only by sustained high profitability and continuous expansion but also by issuing bonus shares in the Year 2010. The Company has maintained dividend on the expanded capital.

Outlook for the Year 2012-13

With the growth and allocation of funds in Indian Health Care Sector, the Company's prospects look very promising. The focus on quality, delivery and with larger basket of products, the company's products are accepted in more than 80 countries in South and Central America, Europe, Asia, South Africa, Australia, Middle East.

Unchanging thrust for growth through innovation has made this Company one of largest producers of Infusion Therapy Products in India. Improving productivity by waste control technology and upgradation and focus on Human Resource is helping the company to increase sustainability.

The Company is further enhancing its product range in Infusion Therapy segment and plans to introduce 8 to 10 new products in this segment. The company is focusing on innovation, safety and quality through its sustained R&D programme.

Cautionary Statement

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations is in the nature of "forward looking statement" within the meaning of applicable laws and regulations. The management has made the statements based on its current expectations and projections about the future events. Such statements, however, involve and words of similar substance. Such statements, however, involve known and unknown risks, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs, which may cause actual results to differ materially. Obviously, the management cannot guarantee that these forward looking statements will be realized, although it believes that it has been prudent in making the statements after making the necessary assumptions.

Corporate Social Responsibility

Sustainability, consciousness and actions on the protection of the environment and climate changes, awareness and contribution to reducing social imbalances are the important parts of the Company's Corporate Social Responsibility.

The Company conducts its business in a sustainable and socially responsible manner. This principle has been an integral part of the Company's corporate values. Your directors are committed to the safety and health of the employees, protecting the environment and quality of life in all regions in which your Company operates.

The Company is committed towards reducing the harmful impact on the environment around us. Our efforts do not stop at re-engineering our process to align with green goals, but extend to any product/services/process that is new and displaces traditional ways of doing business while optimizing resource utilization. Many of our business units are innovating and building on ideas that achieve resources efficiency.

Research & Development

The Company is committed to offer affordable, innovative and world class products by developing new technology and low cost manufacturing. The Company has fully staffed and highly equipped R&D section which is approved by the Ministry of Science & Technology, Government of India to design and develop new innovative products. As earlier stated, the Company is working on various in-house R&D projects in the area of Infusion Therapy and Blood Management. Keeping in tune with philosophy of the Company, the R&D expenditure is poised to grow manifolds in the coming years. The detailed description of Research & Development is annexed with this Annual Report.

Annexure II

A. Conservation of Energy

(a) Energy conservation measures taken:

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

(i) Replacement of two old Boilers with the new one.
(ii) Replacement of old three Chillers with the new one.
(iii) Synchronization of all Chillers.
(iv) Installation of energy efficient equipments / Panels.
(v) Installation of 'Variable Speed Drives' (VSD).
(vi) Efficient maintenance and monitoring of Capacitor for improvement of power factor.
(vii) Replaced PVC Fins of cooling towers.

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

(i) Use of effluent recycled water for cooling towers.
(ii) Reduction of Air Compressor unloading.
(iii) Harmonics and power factor improvements.
(iv) Improvement in Productivity.

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

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

(d) Total energy consumption percent of production - As per Form - 'A' attached

B. Technology Absorption

(e) Efforts made in technology absorption - As Per Form - B' attached.

C. Foreign Exchange Earnings and Outgo

(f) 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 for augment its exports. The Company is regularly participating in major overseas exhibitions, which are very much helpful in improving the visibility of various products and widening the customers' base.

(f) Foreign Exchange used and earned.

(₹ in Lacs)

	Particulars	2011-12	2010-11
(a)	Foreign Exchange Used	6,239.08	4,867.35
(b)	Foreign Exchange Earned	12,318.86	10,095.88

FORM A

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

	PARTICULARS	31.03.2012	31.03.2011
A.	POWER AND FUEL CONSUMPTION		
	1. Electricity:		
	a) Purchased Unit (Kwh)	86,89,144	76,56,259
	Total Amount (₹ in lac)	474.83	390.07
	Rate/Unit (₹)	5.46	5.10
	b) Own Generation:		
	i) Through Diesel Generator		
	Units Generated (Kwh)	28,52,684	23,01,057
	Units per liter of Diesel Oil	3.42	3.00
	Cost per unit (₹)	11.02	11.96
	ii) Through furnace Oil Generator		
	Units Generated (Kwh)	-	-
	Units per liter of Diesel Oil	-	-
	Cost per unit (₹)	-	-
	iii) Through Steam Turbine/Generator (Unit-Kwh)		
	Units Generated (Kwh)	-	-
	Units per liter of Diesel Oil	-	-
	Cost per unit (₹)	-	-
	2. Coal (Specify quality and where used):		
	Quantity (Tonnes)	-	-
	Total Cost (₹)	-	-
	Average Rate (₹/Tonne)	-	-
	3. Diesel/Furnace Oil:		
	(a) Diesel:		
	Quantity (K. Ltrs)	933.05	805.97
	Total Cost (₹ in lac)	354.24	297.75
	Average Rate (₹/K. Ltrs)	37,966	36,943
	b) Furnace:		
	Quantity (K. Ltrs)	-	-
	Total Cost (₹)	-	-
	Average Rate (₹/K. Ltrs)	-	-
	4 Other internal Generation:		
	Quantity (K. Ltrs)		-
	Total Cost (₹)		-
	Average Rate (₹/K. Ltrs)		-
B.	**CONSUMPTION PER UNIT OF PRODUCTION**		
	Products- Medical Devices (Nos. in lac)	3,781.00	3,041.61
	Electricity (Kwh) per Lac Nos.	3,053.59	3,273.70
	Furnace Oil (Ltrs.)	-	-
	Coal	-	-
	Others	-	-

Form B

Research & Development

1. Specific Area in which R&D carried out by the Company

(i) Development of cost effective process for manufacturing of medical devices.

(ii) Development of new innovative technology for the manufacture of existing products and achieve commercial & technical breakthrough.

(iii) Quality upgradation in the existing medical devices.

(iv) Optimization of products and processes to minimize waste generation and reduce environment and safety concerns.

(v) Import substitution and identification of new raw materials for development.

(vi) Development of new design and processes.

(vii) Development of new products to meet specific customer requirements.

(viii) Evaluation and development of new sources for various materials.

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

The Research and Development activities are coordinated in fully equipped Research and Development division. Some of the benefits derived as a result of Research and Development are as follows:

- Development and commercialization of new products.
- Constant upgradation and adoption of new technology has benefited the Company in form of better production processes, yield and quality.
- Reduction of cycle time in manufacturing process and material consumption.
- Indian and International Patent filings for Protection of Intellectual Property generated during R&D.
- Significant quality improvement in existing products.
- Import substitution of raw materials and components.

3. Future plan of action

Your Company considers the importance of development of technical capabilities to sustain its competitive position in the market place. In order to address the needs of the customers in a rapidly changing market palace, the Company will continue to strengthen its technical programmes and the skills of its technical personnel. Some of the future plans are as follows:

- Commercialization of new products for which the products are under trials at development stage. Several new products have been identified after a thorough study of the market and the process to manufacture these products will be developed through R&D.
- Continue to develop cost effective and environment friendly processes for manufacturing of quality of Medical Devices.
- Explore new area of technology for providing low cost solutions to customers.

(₹ in Lacs)

Expenditure on Research & Development		**Year Ended**	
		31.03.12	**31.03.11**
(a)	Capital	29.03	-
(b)	Revenue	258.35	70.38
	Total	**287.38**	**70.38**
Total Research and Development Expenditure as percentage of gross revenue from operations.		**1.36%**	0.41%

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

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

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

2. Benefits derived as results of the above efforts:

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

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

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

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

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

Annexure-III

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

Name	Desig.	Qualification	Age	Gross Remuneration (₹ in Lacs)	Total Experience (Yrs.)	Date of commencement of employment	Last employment
Shri Himanshu Baid	Managing Director	Electronics Engineer	44	155.87	24	20/09/1996	Hanuman Tin Factory Manager
Shri Rishi Baid	Executive Director	BSME, MSME	40	154.38	19	01/08/1997	Miles Pharma Inc. USA Engineer

Notes:

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

REPORT ON CORPORATE GOVERNANCE

The Company's Philosophy on code of Corporate Governance.

Corporate Governance is about commitment to values and ethical business conduct. Good Corporate Governance is intrinsic to the management of Company's affairs. These values and principles set the context to manage the Company's affairs in a fair and transparent manner. As responsible Corporation, these values set the framework to maintain the accountability in all the affairs and employ democratic and open processes.

Corporate Governance is an ongoing process and the Company continuously strives to improve upon its practices in line with the changing demands of the business environment. These governance structures and systems are the foundation that provides adequate empowerment across the organization helping opportunities for rapid sustainable growth for the Company. The Company believes that the practice of each of these creates the right corporate culture that fulfils the true purpose of Corporate Governance.

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

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

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

1. Board of Directors

(a) Composition of the Board

The Board of Directors of the Company has an optimum combination of executive and non-executive directors. Its strength on 31st March, 2012 was seven directors and in addition, a new Additional Director was inducted on the Board as a non-executive independent Director on 28th May, 2012. The non-executive directors bring independent judgment in the Board's deliberations and decisions. There are two executive and six non-executive directors, of which five including the Chairman and additional director, are Independent Directors. The Board of Directors is headed by Shri Devendra Raj Mehta, Non-Executive Independent Director and Chairman of the Company. The number of Non Executive Independent Directors on the Board meets the 'Composition Criterion' as laid down by SEBI and the Companies Act, 1956.

Shri Devendra Raj Mehta

Shri Devendra Raj Mehta, aged 75 years, is a Law and Economics Graduate and is a retired I.A.S. Officer. He has held high positions including Chairman of Securities and Exchange Board of India (SEBI), Dy. Governor of Reserve Bank of India (RBI), Director General of Foreign Trade (DGFT) etc. He has over 42 years of experience in civil services and has held various positions in the Government of Rajasthan and Government of India. He has vast knowledge and experience in the field of Finance, Corporate Laws, Management, Economics and Capital Markets. He is an alumnus of Alfort Sloan School of Management, M.I.T. Boston (USA) and Royal Institute of Public Administration, London (UK).

Dr. Sohan Raj Mohnot

Dr. Sohan Raj Mohnot, aged 83 years is Ph.D., C.M.C., F.I.M.C.I., F.I.S.T.D. He is an eminent economist and is an international management consultant. He has more than 51 years of rich experience in the field of Economics and Management Consultancy. He had worked with the United Nations Industrial Development Organization (UNIDO) and United Nations Development Programme (UNDP) as Industrial Economist and team leader. He is Chairman of Centre for Industrial & Economic Research (CIER) and President Emeritus of Indian Society of Training and Development. He has authored widely acclaimed books on management and economics and chaired international conferences in India and abroad**.**

Shri Jugal Kishore Baid

Shri Jugal Kishore Baid, a Non-Executive director of the Company, aged 70 years is the promoter & founder of the Company. He is a qualified Mechanical Engineer from BITS, Ranchi and has over 37 years of rich experience. He has undergone various industrial training programmes with large and medium sector engineering Companies. In 1967 he joined Hyderabad Allwyn Metal Works as a production engineer. In 1970, he joined his family business, M/s Jai Industrial Works, presently known as Jai Polypan Pvt. Ltd. In 1988, he pioneered in setting up rotational molding technology for the first time in Rajasthan to manufacture multilayered and foam-filled water storage containers under the popular brand name of "POLYCON".

Shri Yeshwant Singh Choudhary

Shri Yeshwant Singh Choudhary, a Non Executive Independent Director, aged 69 years, is post graduate in Electronics from BITS Pilani. He has got 43 years rich experience in managerial positions, project planning & implementation and Financial Management. He served in various Public Limited Companies and was holding very prestigious positions. Currently, he is working as a CEO of M/s Himachal Futuristic Communications Limited (HFCL).

Shri Prakash Chand Surana

Shri Prakash Chand Surana, a Non Executive

Independent Director, aged 65 years is a Chartered Accountant by profession and has 40 years of rich experience in the field of taxation and Corporate Laws.

Dr. Shailendra Raj Mehta

Dr. Shailendra Raj Mehta, aged 53 is Visiting Professor of Business Policy at the Indian Institute of Management, Ahmedabad and Academic Director of Duke Corporate Education, Duke University in the US. He has strong research interests in the areas of Technology Strategy, Entrepreneurship and Simulation. His research on Simulation has resulted in the creation of Hi-tech Company and a US patent. He has taught/ consulted with Senior Leaders worldwide of IBM, Microsoft, Infosys, State Bank of India and others. Prior to returning to India in 2006 to set up the collaboration between IIM-A and Duke CE, he taught Economics and Strategy for 16 years at Purdue University.

He obtained his BA and MA degrees from Delhi University, M. Phil from Balliol College Oxford and Ph.D. in Economics from Harvard.

Shri Himanshu Baid, Managing Director

Shri Himanshu Baid, Managing Director of the Company, aged 44 years, is an Electronics Engineer. Immediately after completion of Engineering degree, he was associated with manufacturing facility of Philips Communications Industry AG. Nurenberg, Germany. He has held several eminent responsibilities including Chief Executive (Marketing) of Polycon International Limited and looked after day to day techno-commercial affairs of that Company. He has been associated with the Company from its Incorporation.

Shri Rishi Baid, Executive Director

Shri Rishi Baid, Executive Director of the Company, aged 40 years, is B.S.M.E and M.S.M.E. (Mechanical) from West Virginia University, U.S.A. He served Miles Pharma Inc. USA. He has been associated with the Company from its Incorporation.

(b) Number of Board Meetings

During the financial year ending 31st March 2012, the Board of Directors met Five times on 30th July 2011, 22nd May 2011, 8th September, 2011, 24th October, 2011, and 30th January, 2012. The maximum time gap between any two consecutive meetings did not exceed four months. The names, designation & categories of the Directors on the Board, their attendance at respective Board Meetings held during the year and last Annual General Meeting and total number of Shares held by them in the Company are as under:

Table 1. Details of the Board of Directors

Name of the Directors	Category of Directorship	No. of Board Meetings held / attended	Last AGM Attended	No. of Shares as on 31st March, 2012
Shri D.R. Mehta (DIN: 01067895)	Non Executive Independent Director	5/5	Yes	Nil
Dr. S.R. Mohnot (DIN: 00006889)	Non-Executive Independent Director	5/5	Yes	12,000
Shri J.K. Baid (DIN: 00077347)	Non-Executive Director	5/5	Yes	2,84,922
Shri Y.S. Choudhary (DIN: 00006906)	Non-Executive Independent Director	5/5	Yes	2,000
Shri P.C. Surana (DIN: 00361485)	Non-Executive Independent Director	5/3	No	4,000
Shri Himanshu Baid (DIN: 00014008)	Managing Director	5/5	Yes	10,09,328
Shri Rishi Baid (DIN: 00048585)	Executive Director	5/5	Yes	12,28,256

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

Name of the Directors	Category of Directorship	No. of Directorship in other Companies	Committee Positions* Chairman	Member
Shri D.R. Mehta	Non Executive Independent Director	10	1	-
Dr. S.R. Mohnot	Non-Executive Independent Director	9	2	1
Shri J.K. Baid	Non-Executive Director	1	-	-
Shri Y.S. Choudhary	Non-Executive Independent Director	1	-	2
Shri P.C. Surana	Non-Executive Independent Director	5	-	2
Shri Himanshu Baid	Managing Director	5	-	1
Shri Rishi Baid	Executive Director	4	-	-

*Chairmanship/ Membership of Audit Committee and Shareholders'/ Investors' Grievance Committee in public Companies (including Poly Medicure Limited) have been considered.

As detailed in the table above, none of the Directors is a member of more than ten Board Level Committee(s) of Public Companies in which they are directors, nor Chairman of more than five such committee(s).

2 Audit Committee

(a) Composition, Name of the members and Chairperson

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

During the year under review, four meetings of Audit Committee were held on 22nd May 2011, 30th July 2011, 24th October 2011 and 30th January 2012. The attendances of members therein are as follow:

Table 2: Details of Audit Committee

Name of the Member	Category/Position	No. of Meetings held / Attended	Sitting Fees
Dr. S.R. Mohnot	Independent Director/Chairman	4/4	80,000
Shri Y.S. Choudhary	Independent Director/Member	4/4	80,000
Shri P.C. Surana	Independent Director/Member	4/3	60,000

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

1. Oversight of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
   - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
   - Changes, if any, in Accounting Policies and practices and reasons for the same.
   - Major accounting entries involving estimates based on the exercise of judgment by management.
   - Significant adjustments made in the Financial Statements arising out of audit findings.
   - Compliance with listing and other legal requirements relating to financial statements.
   - Disclosure of any related party transactions.
   - Qualifications in the draft Audit Report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. 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.

13. Approval of appointment of CFO (i.e. the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

The Composition of the Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

3 Remuneration Committee

(a) Composition, name of members and Chairperson and terms of reference:

The Remuneration Committee of the Board of Directors has been constituted to recommend/ review the remuneration package to the Whole Time Directors and Managing Director of the Company. The Committee comprises of four Independent, Non-Executive Directors viz. Shri Devendra Raj Mehta as Chairman, Dr. Sohan Raj Mohnot, Shri Yeshwant Singh Choudhary and Shri Prakash Chand Surana as members. During the Year one meeting held on 30th July, 2011. The details of composition of the committee meeting held, attendance at the meeting are given in the below mentioned table.

Name of the Member	Position	No. of Meetings held /Attended	Sitting Fees
Shri D.R. Mehta	Chairman	1/1	20,000
Dr. S.R. Mohnot	Member	1/1	20,000
Shri Y.S. Choudhary	Member	1/1	20,000
Shri P C Surana	Member	1/1	20,000

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

I. Recommend to the Board the remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Whole-time Directors.
II. Finalize the perquisites package of the Managing Director and Whole-time Directors with the overall ceiling fixed by the Board.
III. Recommend to the Board, retirement benefits to be paid to the Managing Director and Whole-time Directors under the retirement benefit Guidelines adopted by the Board.

The Company Secretary is also the Secretary to this Committee.

(b) 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 by the Shareholders. The remuneration is decided considering various factors such as qualifications, experience, expertise, their contribution to the Company's growth, remuneration prevailing in the Industry, Financial Position of the Company etc.

(ii) Non-Executive Directors

The Non Executive directors are paid remuneration by way of sitting fees of ₹ 20,000/- (Twenty Thousand only) for attending each meeting of Board of Directors and Committees thereof.

Details of the remuneration paid to all the directors for the year ended on 31st March, 2012 are given hereunder:

Name of the Member	Salary	Comm.	Sitting Fees	Total
Sh. D.R. Mehta	-	-	1,20, 000	1,20, 000
Dr. S.R. Mohnot	-	-	2,20,000	2,20,000
Sh. J.K. Baid	-	-	1,00,000	100,000
Shri Y.S. Choudhary	-	-	2,20,000	2,20,000
Shri P.C. Surana	-	-	1,40,000	1,40 ,000
Sh. Himanshu Baid	85,86,582*	70,00,000	-	1,55,86,582
Sh. Rishi Baid	84,38,269*	70,00,000	-	1,54,38,269

* Includes allowances, perquisites, retirement benefits and contribution to provident fund.

Information placed before the Board:

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

The Board periodically reviews Compliance Reports of all applicable laws to the Company, prepared by the Management as well as steps taken by the Company to rectify the instances of non compliance, if any. Further, the Board also reviews the Financial Statements of the Subsidiary Companies. In addition to the above, pursuant to Clause 49 of the Listing Agreement, the minutes of the Board Meetings of the Company's Subsidiary Companies and a statement of all significant transactions and arrangement entered into by the Subsidiary Companies are placed before the Board.

Information as required under Clauses 49, as per format prescribed under Annexure 1A of the listing agreement is made available to the Board in every meeting.

4. Shareholders' / Investors' Grievance Committee.

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

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

Ms. Sonia Singh, Company Secretary is also the Compliance Officer of the Company for complying with the requirements of Listing Agreement with the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

Investor Grievance redressal

During the year, no complaint was received.

5. ESOP Compensation Committee

- **Composition, name of members and Chairperson and term of reference.**

The Committee consists of two Non Executive Independent Director viz. Dr. S.R. Mohnot as Chairman and Shri Y.S. Choudhary and Shri Himanshu Baid as members of the Committee. The committee has been formed inter alia to formulate detailed terms & conditions of the Employee Stock Option Scheme including:

1. The quantum of options to be granted under Employee Stock Option Scheme per employee and in aggregate.
2. The conditions under which option vested in employees may lapse in case of termination of employment for misconduct.
3. The exercise period within which the employee should exercise the option and that the Option would lapse on failure to exercise the option within the exercise period.
4. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
5. The right of an employee to exercise all the options vested in him at one time or at various point of time within the exercise period.
6. The procedure of making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate action such as Right Issues, Bonus Issue, merger, sale of division and others.
7. The grant, vest and exercise of an option in case of employees who are on long leave.
8. The procedure for Cashless exercise of an option, if any.

During the year, the Committee met once i.e. on 08th September, 2011. The minutes of ESOP Compensation Committee are reviewed and noted by the Board. The details of composition of the committee, meeting held, attendance at the meetings are given in the below mentioned table.

Name of the Member	Position	No. of Meetings held / Attended	Sitting Fees
Dr. S.R. Mohnot	Chairman	1/1	20,000
Shri Y.S. Choudhary	Member	1/1	20,000
Shri Himanshu Baid	Member	1/1	-

6. General Body Meeting

General Body Meetings (during the last three years)

Meeting	Date and Time	Venue
14th AGM	Wednesday,2nd Sep 2009 at 10:00 AM	Government Servants Co-operative House Building Society Ltd., Kalyan Kendra, 9, Paschimi Marg, Vasant Vihar, New Delhi – 110 057.
15th AGM	Thursday, 7th Sep 2010 at 10:00 AM.	NCUI Convention Centre, 3, Khel Gaon Marg, New Delhi-110016.
16th AGM	Thursday, 8th September, 2011 at 10:00 A.M.	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi, 110016.

Special resolution passed in the last three AGMs

AGM - 2009

None

AGM - 2010

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

AGM - 2011

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

7. Disclosure(s)

i) The details of Related Party Transactions are given in the Notes on Financial Statements. None of the transaction with any of the Related Party was in conflict with the interest of the Company.

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

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

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

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

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

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

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

8. Means of Communication

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

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

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

Any information having price sensitive feature is forthwith disseminated to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India

Limited (NSE) for being displayed on their website www.bseindia.com and www.nseindia.com

9. General Shareholders Information:

Annual General Meeting Day, Date and Time & Venue	Friday, the 28th day of September, 2012 at 10.00 AM NCUI Auditorium, 3, Siri, Institutional Area, August Kranti Marg, New Delhi-110016.
Financial Year	1st April 2011 to 31st March 2012
Date of Book Closure	September 17, 2012 to September 28, 2012 (inclusive both days)
Listing of Equity Shares on Stock Exchanges	• Bombay Stock Exchange Limited (BSE):- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. • National Stock Exchange of India Limited: - Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Mumbai-400051
Stock Code	BSE Code: 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 DEMAT mode. Under the depository system the International Security Identification Number (ISIN) allotted to the Company. Respective ISIN is INE205C01013.
Major Plants/ Unit Location(s)	**Unit-I** Plot No. 104-105, Sector-59 HSIDC Industrial Area, Ballabgarh, Faridabad-121004 (Haryana) India **Unit-II (100% EOU)** Plot No. 115-116, Sector-59 HSIDC Industrial Area, Ballabgarh, Faridabad-121004 (Haryana) India **Unit-III** Plot No. 17, Sector-3, I.I.E SIDCUL Haridwar, Uttarakhand, India

Address for Shareholder correspondence

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

Mr. Sharwan Mangla	Poly Medicure Limited
M/s Mas Services Limited T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 Phone No. 011-26387281, 26387282 Fax No. 011- 26387384 E-mail: mas_serv@yahoo.com, Website: www.masserve.com	First Floor, 12, Sant Nagar East of Kailash New Delhi - 110065 Phone No. 011-26481889, 26481893, 26481838 Fax No. 011-26481894, 26481839 Email: investorcare@polymedicure.com Website: http://www.polymedicure.com

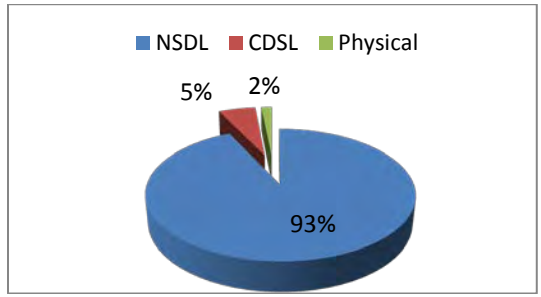
Physical Share Transfer System

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

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, 2012 are as under:

Mode	No. of Shares	%age(Percentage)
Physical Mode	1,70,373	1.55
NSDL	1,02,37,355	92.96
CDSL	6,04,772	5.49
Total	**1,10,12,500**	**100.00**



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

National Securities Depositories Limited	Central Depository Services Limited
4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Fort, Mumbai – 400001

Marg, Lower Parel, Mumbai 400013 Telephone: 91-22-24994200 E-mail- info@nsdl.co.in Website: www.nsdl.co.in	Telephone: 91-22-22723333 E-mail: investor@cdslindia.com Website: www.cdslindia.com

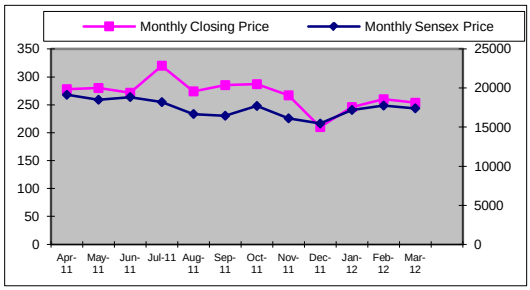
Listed on Stock Exchange(s)

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

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

Month	BSE (In ₹)		NSE (In ₹)	
	High Price	Low Price	High Prices	Low Price
Apr-11	299.60	261.00	-	-
May-11	280.00	248.00	-	-
Jun-11	280.00	250.10	-	-
Jul-11	332.95	254.25	-	-
Aug-11	324.00	250.00	-	-
Sep-11	320.00	268.50	-	-
Oct-11	319.00	266.10	-	-
Nov-11	300.00	251.00	-	-
Dec-11	283.75	172.10	290.00	181.10
Jan-12	276.50	207.00	282.00	219.70
Feb-12	298.35	237.00	311.85	244.00
Mar-12	270.00	226.10	285.00	231.30

Performance of the Company's Shares in comparison to BSE Sensex are as under :-



Distribution of Shareholding of Poly Medicure Limited as on 31st March, 2012

Nominal value of each Share ₹ 10/- each.

No of share holders	% to Total	Shareholding of nominal value of ₹	No of shares	% to Total
1850	82.52	1 to 5000	1,72,775	1.57
184	8.21	5001 to 10000	1,56,855	1.43
80	3.57	10001 to 20000	1,23,489	1.12
27	1.21	20001 to 30000	68,968	0.63
24	1.07	30001 to 40000	88,557	0.80
10	0.45	40001 to 50000	45,394	0.41
19	0.85	50001 to 100000	1,39,194	1.26
48	2.14	100001 and above	1,02,17,268	92.78
2242	**100**	**Total**	**1,10,12,500**	**100.00**

Statement Showing Shareholding Pattern								
			Table (I)(a)					
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
1	**Indian**							
(a)	Individuals/ Hindu Undivided Family	15	4472176	4472176	40.61	40.61	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	2	862143	862143	7.83	7.83	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	**17**	**5334319**	**5334319**	**48.44**	**48.44**	**0**	**0.00**
2	**Foreign**							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	2	28400	0	0.26	0.26	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	**2**	**28400**	**0**	0.26	0.26	**0**	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**19**	**5362719**	**5334319**	**48.70**	**48.70**	**0**	**0.00**
(B)	**Public shareholding**							
1	**Institutions**							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	N.A.	N.A.
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	N.A.	N.A.
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	N.A.	N.A.
(d)	Venture Capital Funds	0	0	0	0.00	0.00	N.A.	N.A.
(e)	Insurance Companies	0	0	0	0.00	0.00	N.A.	N.A.
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	N.A.	N.A.
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	N.A.	N.A.
(h)	Any Other (specify)	0	0	0	0.00	0.00	N.A.	N.A.
	Sub-Total (B)(1)	**0**	**0**	**0**	0.00	0.00	N.A.	N.A.
B 2	**Non-institutions**							
(a)	Bodies Corporate	83	4532838	4529838	41.16	41.16	N.A.	N.A.
(b)	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	2023	719298	593925	6.53	6.53	N.A.	N.A.
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	12	218619	218619	1.98	1.98	N.A.	N.A.
(c)	Any Other (specify) Non Resident/OCB	85	94073	80473	0.85	0.85	N.A.	N.A.
(c-i)	Clearing Members	20	84953	84953	0.77	0.77	N.A.	N.A.
	Sub-Total (B)(2)	**2223**	**5649781**	**5507808**	51.30	51.30	N.A.	N.A.
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**2223**	**5649781**	**5507808**	51.30	51.30	N.A.	N.A.
	TOTAL (A)+(B)	**2242**	**11012500**	**10842127**	**100.00**	**100.00**		
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**							
1	Promoter and Promoter Group	0	0	0	0	0.00	N.A.	N.A.
2	Public	0	0	0	0	0.00	N.A.	N.A.
	Sub-Total (C)	**0**	**0**	**0**	**0**	**0**	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	**2242**	**11012500**	**10842127**	**100**	**100.00**	**0**	**0.00**

Unclaimed Dividend on Equity Shares

Investors are requested to claim their preceding years' unclaimed dividends from the Company. They may correspond at Company's address or send e-mail at investorcare@polymedicure.com for clarifying any doubts. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such dividend become due for payment 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.

Review of Legal / Statutory Compliances Report

The Board periodically reviews Statutory / Legal Compliance(s) Reports with respect to the various law(s) applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

Code for Prevention of Insider Trading Practices

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

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

Risk Management Policy

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

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

CEO / CFO Certification

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

Subsidiary Companies

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

Code of Conduct by the CEO

The 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.

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, 2011 to 31st March, 2012. Declaration received from Shri Himanshu Baid, Managing Director, in this regard is appended at the end of this report.

New Delhi	D.R. Mehta	Himanshu Baid
31st July, 2012	Chairman	Managing Director

CEO and CFO Certification

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

a) We have reviewed the Financial Statements and Cash Flow Statements for the year ended on 31st March, 2012 and to the best of our knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2012, are fraudulent, illegal or violative of the Company's Code of Conduct.

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

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

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

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

New Delhi	Himanhsu Baid	J. K. Oswal
31st July, 2012	Managing Director	VP (Finance)

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
31st July, 2012	CEO and Managing Director

Certificate of Corporate Governance

To the Members of Poly Medicure Limited

We have examined the Compliance of conditions of Corporate Governance by Poly Medicure Limited (the Company), for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For **B.K. Sethi & Co.**
B.K. Sethi
Proprietor
FCS-853/CP-913

31st July 2012

J.K. Oswal
Vice President (Finance)

AUDITORS' REPORT

TO THE MEMBERS OF
POLY MEDICURE LIMITED

1. We have audited the attached Balance Sheet of **Poly Medicure Limited**, as at March 31, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
   c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e. On the basis of written representations received from the directors, as on March 31,2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
   f. Attention is drawn to Note No. 35 to notes on Financial Statement for the year ended 31st march 2012, wherein it is stated that Mark to Market losses of ₹ 964.66 lac on derivative transactions have not been accounted for owing to considerable volatility in the relevant foreign exchange rate.
   g. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and read with item 4(f) given here-in-before together with other notes on Financial Statement for the year ended 31st March 2012 give a true and fair view in conformity with the accounting principles generally accepted in India:

      i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012,
      ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
      iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

M S Agarwal
Partner
Membership No. 86580

Place: New Delhi
Dated: May 28, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

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

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

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

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

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

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

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

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

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

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

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

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

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

ix. a. According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities

undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty cess and any other statutory dues applicable to it and there are no undisputed amounts payable in respect of these dues which have remained outstanding as at March 31, 2012 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

M S Agarwal
Partner
Membership No. 86580

Place: New Delhi
Dated: May 28, 2012

Balance Sheet As at 31 March, 2012

(₹ in Lacs)

Particulars			Note No.	As at 31 March 2012		As at 31 March 2011	
I	**EQUITY AND LIABILITIES**						
	1	**Shareholders' funds**					
		(a) Share capital	1	**1,101.25**		1,101.25	
		(b) Reserves and surplus	2	**8,188.33**	**9,289.58**	6,676.50	7,777.75
	2	**Non-current liabilities**					
		(a) Long-term borrowings	3	**1,833.24**		1,244.17	
		(b) Deferred tax liabilities (Net)	4	**536.94**		316.93	
		(c) Other Long term liabilities	5	**238.02**		133.54	
		(d) Long-term provisions	6	**126.00**	**2,734.20**	115.61	1,810.25
	3	**Current liabilities**					
		(a) Short-term borrowings	7	**1,585.32**		1,633.64	
		(b) Trade payables	8	**1,897.61**		1,527.85	
		(c) Other current liabilities	9	**2,026.68**		2,006.55	
		(d) Short-term provisions	6	**443.10**	**5,952.71**	439.53	5,607.57
		TOTAL			**17,976.49**		**15,195.57**
II	**ASSETS**						
	1	**Non-current assets**					
		(a) Fixed assets	10				
		(i) Tangible assets		**8,037.86**		6,360.68	
		(ii) Intangible assets		**114.60**		111.21	
		(iii) Capital work-in-progress		**127.10**		550.91	
		(iv) Intangible assets under development		**393.77**		228.03	
		(b) Non-current investments	11	**691.39**		691.39	
		(c) Long-term loans and advances	12	**840.99**		898.65	
		(d) Other non-current assets	13	**90.62**	**10,296.33**	71.55	8,912.42
	2	**Current assets**					
		(a) Inventories	14	**2,791.66**		2,412.19	
		(b) Trade receivables	15	**3,230.42**		2,622.94	
		(c) Cash and bank balances	16	**52.90**		50.83	
		(d) Short-term loans and advances	12	**928.22**		790.29	
		(e) Other current assets	13	**676.96**	**7,680.16**	406.90	6,283.15
		TOTAL			**17,976.49**		**1 5,195.57**

Significant accounting policies
Notes on financial statement 1 to 46

The Notes referred to above forms an integral part of the Financial Statements

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

For and on behalf of the Board of Directors

M. S. Agarwal	Himanshu Baid	Rishi Baid
Partner	Managing Director	Executive Director
Membership No. 86580	DIN: 00014008	DIN: 00048585
Place : New Delhi	J.K.Oswal	Sonia Singh
Date : 28.05.2012	VP (Finance)	Company Secretary

Statement of Profit and Loss for the Year ended 31 March, 2012

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2012	Year ended 31 March 2011
INCOME			
Revenue from operations (Gross)	17	**21,166.27**	17,137.04
Less: Excise Duty		**(274.41)**	(170.29)
Revenue from operations (Net)		**20,891.86**	16,966.75
Other income	18	**61.95**	39.31
Total Revenue (I)		**20,953.81**	**17,006.06**
EXPENDITURE			
Cost of raw materials including packing materials consumed	19	**6,601.47**	6,015.24
Purchases of Stock-in-Trade		**689.60**	174.77
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	**(115.02)**	98.61
Employee benefits expense	21	**3,293.56**	2,665.71
Research and development expenses	22	**258.35**	70.38
Other expenses	23	**5,648.57**	4,315.15
Total (II)		**16,376.53**	**13,339.86**
Earnings before Interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**4,577.28**	**3,666.20**
Depreciation and amortization expense	24	**995.52**	858.79
Finance cost	25	**693.36**	414.53
Profit before tax (III)		**2,888.40**	**2,392.88**
Tax expense:			
(1) Current tax		**742.45**	480.20
(3) Tax adjustment for earlier years (net)		**3.79**	(1.22)
(4) Deferred tax		**219.99**	(116.41)
(5) Minimum Alternative Tax Credit Entitlement		**-**	(138.71)
(6) Minimum Alternative Tax Credit Entitlement for earlier years		**(3.79)**	-
Total tax expenses (IV)		**962.44**	**223.86**
Profit for the year (III - IV)		**1,925.96**	**2,169.02**
Earnings per equity share:			
Basic / Diluted (Face value ₹ 10 each) in rupees		**17.49**	19.70
Significant accounting policies			
Notes on financial statement	1 to 46		

The Notes referred to above forms an integral part of the Financial Statements

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 : 28.05.2012

For and on behalf of the Board of Directors

Himanshu Baid
Managing Director
DIN: 00014008

J.K.Oswal
VP (Finance)

Rishi Baid
Executive Director
DIN: 00048585

Sonia Singh
Company Secretary

Cash Flow Statement for the year ended 31 March 2012

(₹ in Lacs)

	Particulars	Year ended 31-Mar-12	Year ended 31-Mar-11
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	2,888.40	2,392.88
	Adjusted for:		
	Depreciation and amortisation	995.52	858.79
	Interest expense	693.36	414.53
	Interest income	(18.71)	(16.57)
	Dividend on non-trade investments	(2.30)	(10.25)
	Loss/(profit) on sale of fixed assets, net	7.40	19.30
	Debts/advances written off	17.20	
	Provision for doubtful debts and advances	(2.98)	15.50
	Credit balances no longer required, written back	(15.55)	(5.12)
	provision for Wealth tax	1.04	
	Unrealised foreign exchange (gain) /loss	(54.95)	(105.13)
	Operating profit before working capital changes	**4,508.43**	**3,563.93**
	Movement in working capital		
	Decrease/ (increase) in sundry debtors	(576.41)	(412.71)
	Decrease/(Increase) in loans and advances	(293.27)	(349.04)
	Decrease/(increase) in inventories	(379.47)	(292.27)
	Increase/ (decrease) in current liabilities and provisions	593.44	131.58
	Cash generated from operations	**3,852.72**	**2,641.49**
	Direct taxes paid (net of refunds)	(576.59)	(459.65)
	Net cash from operating activities	**3,276.13**	**2,181.84**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(2,674.26)	(2,333.30)
	Proceeds from / (Investment in) Fixed Deposits (net)	(0.40)	(10.38)
	Proceeds from sale of fixed assets	32.85	1.00
	Dividend and Interest income	21.02	26.82
	Net cash used for investing activities	**(2,620.79)**	**(2,315.86)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Increase in securities Premium Account	-	6.77
	Proceeds from term loans	424.94	792.73
	Dividend Paid	(330.38)	(271.58)
	Dividend Tax Paid	(54.87)	(46.34)

Interest / Finance charges paid	(693.36)	(414.53)
Net cash from (used for) financing activities	**(653.67)**	**67.05**
Net increase in cash and cash equivalents (A+B+C)	1.67	(66.97)
Cash and cash equivalents at the beginning of the year	40.45	107.42
Cash and cash equivalents at the end of the year	**42.12**	**40.45**

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

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

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

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 : 28.05.2012

J.K.Oswal
VP (Finance)

Sonia Singh
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

i) Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and to comply with Accounting Standards prescribed in Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the powers conferred under section 642(1)(a) and the relevant provisions of the Companies Act, 1956.

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

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

b) PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

c) USE OF ESTIMATES

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

d) FIXED ASSETS

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

e) INVESTMENTS

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

f) DEPRECIATION AND AMORTISATION

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

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

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

g) INVENTORIES

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

h) REVENUE RECOGNITION

i) Revenue from sales is recognised on despatch of goods in accordance with the terms of sale.
ii) Sales and purchases are exclusive of inter-unit transfers.
iii) Export Incentives and benefits are accounted for on accrual basis when virtual certainty and their probable use within reasonable time in the normal course of business, is established.
iv) Revenue from Services is recognized when the related services are performed.
v) Interest is recognized using the time proportion method. Dividend income is recognized when the company's right to receive dividend is established.
vi) Other items of Income are accounted as and when right to receive arise.
vii) Non compete fees received are apportioned proportionately over the period of such agreement.

i) FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES

i) Transactions denominated in the foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.
ii) Monetary items denominated in foreign currencies other than those covered by forward exchange contracts are translated into rupees equivalent at the rate of exchange prevailing on the Balance Sheet date. Exchange differences that arise on settlement of monetary items or on reporting date are recognized as income or expense in the period in which they arise.
iii) Non-monetary items, which are carried at historical costs denominated in a foreign currency are reported using the exchange rate at the date of the transactions.
iv) Exchange differences arising on Forward Contracts are recognized in the period in which they arise and the premium paid/received is accounted as expense/income over the period of the contract.
v) The company intends to adopt Accounting Standard (AS-30), "Financial Instruments, Recognition and Measurement" in due course. Till the adoption of AS 30, Mark to Market losses or gains on un-expired Forward Contracts entered into to hedge the risk of changes in Foreign Currency Exchange Rate on future export sales against the existing long term contracts are accounted for on maturity of the contracts so as to safe guard against considerable volatility in foreign exchange rates during the intervening period.
vi) In accordance with Accounting Standard - 11 "Accounting for the effects of changes in foreign exchange rate", exchange differences arising in respect of long term foreign currency monetary items:
- used for acquisition of depreciable capital assets are added to or deducted from the cost of assets and are depreciated over the balance life of assets.
- used for purpose other than acquisition of depreciable assets are accumulated in "foreign currency monetary items translation differences account" and amortised over the balance period of such assets or liabilities.

j) GOVERNMENT GRANTS

Capital subsidy under 15% central investment subsidy scheme of Government of uttarakhand is recognised on a systematic and rational basis by adopting deferred income approach in proportion of the applicable depreciation over the remaining useful life of the respective assets and is adjusted against the depreciation in statement of profit and loss.

k) RETIREMENT BENEFITS

i) Retirement benefits in the form of Provident fund is accounted on accrual basis and charged to the statement of Profit & Loss.
ii) Provision for liability towards gratuity and unavailed earned leaves benefits to employees is made on the basis of actuarial valuation.

l) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of the qualifying assets are capitalised as part of the cost of such assets, till the assets are ready for use. All other borrowing costs are charged to revenue in the period in which they are incurred.

m) LEASES

i) Finance leases or similar arrangement, which effectively transfer to the company substantially all

the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed as leased assets. Finance charges are charged directly against income.

ii) Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

iii) Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

n) EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the company's EPS comprise the Net Profit or Loss for the period after tax and extra ordinary items. The basic EPS is computed on the basis of weighted average number of equity shares outstanding during the year. The number of shares for computation of diluted EPS comprises of weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

o) TAXES ON INCOME

i) Tax expense for the year comprises of Current Tax, and Deferred Tax. Current taxes are measured at the current rate of tax in accordance with provisions of the Income Tax Act, 1961.

ii) Deferred tax Assets and Liabilities are recognized for future tax consequences attributable to the timing differences that result between taxable profit and the profit as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date,

iii) Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses under tax laws to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

iv) The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statement of Profit and Loss in the year of change.

p) IMPAIRMENT OF ASSETS

The carrying values of fixed assets and other assets of a cash generating unit are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, if any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets of the cash generating units are written down to their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the assets belongs Impairment losses are recognised in the Statement of Profit and Loss.

q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

r) MEASUREMENT OF EBITDA

The company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

s) CASH AND CASH EQUIVALENTS

For the purpose of cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

Notes on Financial Statement for the year ended 31st March 2012

1 SHARE CAPITAL	As at 31 March 2012	(₹ in Lacs) As at 31 March 2011
Authorised share Capital		
1,50,00,000 (1,50,00,000) Equity Shares of ₹ 10 each	**1,500.00**	1,500.00
Issued, subscribed & paid up shares		
1,10,12,500 (1,10,12,500) Equity Shares of ₹ 10 each fully paid up	**1,101.25**	1,101.25
Total	**1,101.25**	**1,101.25**

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

Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	**₹ in Lacs**	No. of Shares	₹ in Lacs
At the beginning of the year	**1,10,12,500**	**1,101.25**	1,10,12,500	1,101.25
Add: Issued during the year	**-**	**-**	-	-
Less: Bought back during the year	**-**	**-**	-	-
Outstanding at the end of year	**1,10,12,500**	**1,101.25**	**1,10,12,500**	**1,101.25**

1.2 Terms/rights attached to equity shares

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

During the year ended 31st March 2012, the amount of per share dividend recognised as distribution to equity share holders is ₹ 3 (31st March 2011 ₹ 3)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

1.3 Details of shareholders' holding more than 5% shares in the company

	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
M/s Allegeny Finlease private Limited	**15,71,686**	**14.27%**	15,71,686	14.27%
Sh. Rishi Baid	**12,28,256**	**11.15%**	12,28,256	11.15%
M/s BS Trade Invest Private Limited	**11,98,080**	**10.88%**	11,98,080	10.88%
Sh. Himanshu Baid	**10,09,328**	**9.17%**	10,09,328	9.17%
M/s Vision Millenium Exports Pvt. Ltd.	**5,88,131**	**5.34%**	5,86,931	5.33%

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

1.4 Shares allotted for consideration other than cash

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account and General Reserve	-	-	55,06,250	-	-

2 RESERVES AND SURPLUS	**As at 31 March 2012**	As at 31 March 2011
Capital Reserves		
Surplus on re-issue of forfeited shares	**13.19**	13.19
Application money received on Preferential Warrants issued to promoters forfeited	**33.79**	33.79
Securities Premium Account	**6.77**	6.77
Foreign Currency Monetary Translation Account		
Balance at the beginning of the year	**-**	-
Add: Addition during the year	**(49.55)**	-
Closing Balance	**(49.55)**	-
General Reserve		
Balance at the beginning of the year	**4,351.38**	3,351.38
Add: Addition during the year	**1,000.00**	1,000.00
Closing Balance	**5,351.38**	4,351.38
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	**2,271.37**	1,484.49
Add: Addition during the year	**1,925.96**	2,169.02
Less: Proposed Dividend	**330.38**	327.72
Less: Tax on Proposed Dividend	**53.60**	54.42
Less: Transferred to General Reserve	**1,000.00**	1,000.00
Closing Balance	**2,813.36**	2,271.37
Government Grants (Deferred Income Approach)		
Capital Investment Subsidy		
Balance at the beginning of the year	**-**	-
Add: Addition during the year	**22.97**	-
Less: Adjusted against depreciation (Refer Note no. 24)	**3.58**	-
Closing Balance	**19.39**	-
Grand Total	**8,188.33**	**6,676.50**

3	LONG TERM BORROWINGS	Non-current portion As at 31 March		Current maturities As at 31 March	
		2012	2011	**2012**	2011
	Secured				
	(i) Term loans from banks	**1,672.50**	1,177.97	**1,041.76**	1,171.30
	(ii) Others - Vehicle Loan from banks	**36.58**	43.83	**23.80**	22.88
	(iii) Deferred payment liabilities	**124.16**	-	**93.12**	-
	Unsecured				
	Deferred payment liabilities	-	22.37	**23.95**	54.71
	Amount disclosed under the head "other current liabilities" (note 9)	-	-	**1,182.63**	1,248.89
	Total	**1,833.24**	**1,244.17**	**-**	**-**
3.1	**Term loan comprise of the following:**				
	From Bank				
	Rupee Loan	**559.61**	103.81	**220.00**	619.00
	Foreign Currency Loan	**1,112.89**	1,074.16	**821.76**	552.30

3.2 Terms of repayment:

From Banks

Lending institution	Weighted average Rate of interest (P.A.)	Installment	Outstanding as at 31.3.2012	Annual repayment schedule			
				2012-13	2013-14	2014-15	2015-16
Rupee Loan	13.15%	Qtr	779.61	220.00	440.00	440.00	460.00
Sanctioned amount ₹ 1560.00 lacs							
Foreign Currency Loan	6.55%	Monthly /Qtr	1,934.65	821.76	516.89	596.00	-
Others - Vehicle Loan	9.55%	Monthly	60.38	23.80	15.81	14.39	6.37
Deferred Payment Liabilities	-	3 in year	241.23	117.07	93.12	31.04	-

3.3 Details of security:

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

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

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

4 DEFERRED TAX LIABILITY (NET)

In accordance with Accounting Standard 22 "Accounting for taxes on Income" (AS-22), the company has accounted for deferred taxes during the year as under:
Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets:

	Component	As at 31 March 2012	As at 31 March 2011
	Deferred Tax Liabilities:		
(i)	Difference in depreciation between Accounting books and tax Return	**620.78**	395.54
	Total	**620.78**	**395.54**
	Deferred Tax Assets:		
(i)	Provision for retirement benefits	**(43.57)**	(41.01)
(ii)	Provision for Bonus	**(26.61)**	(23.93)
(iii)	Provision for doubtful debts and advances	**(13.66)**	(13.67)
Total		**(83.84)**	**(78.61)**
Net Deferred Tax liability (Assets)		**536.94**	**316.93**

5 OTHER LONG TERM LIABILITIES

	As at 31 March 2012	As at 31 March 2011
Security Deposits from Agents	**120.00**	53.90
Unearned revenue	**118.02**	79.64
Total	**238.02**	**133.54**

6 PROVISIONS

	Long Term As at 31 March		Short term As at 31 March	
	2012	2011	**2012**	2011
Provision for employee benefits				
Gratuity	**84.86**	78.31	**6.05**	8.57
Leave Encashment	**41.14**	37.30	**2.23**	2.21
Other provisions				
Provision for Income tax	**-**	-	**49.80**	42.53
Provision for Wealth tax	**-**	-	**1.04**	0.97
Proposed dividend	**-**	-	**330.38**	330.38
Tax on proposed dividend	**-**	-	**53.60**	54.87
Total	**126.00**	**115.61**	**443.10**	**439.53**

7 SHORT-TERM BORROWINGS

	As at 31 March 2012	As at 31 March 2011
Secured - from banks		
Cash / Export Credit Loan	**1,538.76**	1,633.64
Buyers credit	**46.56**	-
Total	**1,585.32**	**1,633.64**

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

receivables and are further secured by way of extension of second pari-passu charge on entire fixed assets of the company both present & future and are guaranteed by Managing Director & Executive Director of the company.

8	**TRADE PAYABLES**	**As at 31 March 2012**	As at 31 March 2011
	Trade payables (including acceptances)	**1,897.61**	1,527.85

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 31 March 2012**	As at 31 March 2011
i	Principal amount remaining unpaid as at end of the year	-	-
ii	Interest due on above	-	-
1	Total of (i) & (ii)	-	-
2	Interest paid on delayed payment of principal, paid along with such interest during the year	-	-
3	Interest due on delayed payment of principal, paid without such interest during the year	-	-
4	Interest accrued but not due, in respect of delayed payments of principal due as at end of the year	-	-
5	Total interest due and payable together with that from prior year(s)	-	-

9	**OTHER CURRENT LIABILITIES**	**As at 31 March 2012**	As at 31 March 2011
	Current maturities of long-term borrowings (Refer note no. 3)	**1,182.63**	1,248.89
	Interest accrued but not due on borrowings	**0.85**	0.46
	Interest accrued and due on borrowings	**33.38**	16.12
	Advance from customers	**208.93**	339.86
	Unearned revenue	**49.22**	23.31
	Unpaid dividends	**7.25**	7.41
	Other payables		
	Statutory dues	**125.36**	80.30
	Employees related liabilities	**340.95**	265.05
	Payables for capital goods	**51.81**	23.25
	Others	**26.30**	1.90
	Total	**2,026.68**	**2,006.55**

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

10 FIXED ASSETS

(₹ in lacs)

Sr. No.	Particulars	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1 April 2011	Additions	Sales / adjustments	As at 31 March 2012	As at 1 April 2011	For the Year	On Sales / adjusments	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
A	**Tangible Assets**										
1	Freehold Land	248.37	-	-	248.37	-	-	-	-	248.37	248.37
2	Leasehold Land	425.17	-	-	425.17	4.61	4.48	-	9.09	416.08	420.56
3	Building	1,663.66	322.48	-	1,986.14	329.33	61.75	-	391.08	1,595.06	1,334.33
4	Plant & Machinery	7,392.23	2,235.70	141.44 *	9,486.49	3,425.58	835.56	127.30	4,133.84	5,352.65	3,966.65
5	Furniture & Fixtures	142.95	33.95	6.18 #	170.72	66.06	22.86	6.18	82.74	87.98	76.89
6	Office Equipment	174.31	37.38	24.51 #	187.18	77.15	18.44	22.17	73.42	113.76	97.16
7	Vehicles	280.33	36.26	1.89	314.70	63.61	28.22	1.09	90.74	223.96	216.72
B	**Intangible Assets**										
1	Software	57.74	8.52	-	66.26	37.07	15.21	-	52.28	13.98	20.67
2	Patent & Trade Marks	110.43	22.67	-	133.10	19.89	12.59	-	32.48	100.62	90.54
	Total	**10,495.19**	**2,696.96**	**174.02**	**13,018.13**	**4,023.30**	**999.10**	**156.74**	**4,865.67**	**8,152.46**	**6,471.89**
	Previous Year	**9,229.93**	**1,537.07**	**271.78**	**10,495.19**	**3,416.03**	**858.78**	**251.50**	**4,023.30**	**6,471.89**	

Addition during the year includes Fixed Assets for Research and Development

Sr. No.	Particulars	Additions during the year	Depreciation for the year	Net Block As at 31 March 2012
A	**Tangible Assets**			
1	Plant & Machinery	22.70	2.35	20.35
2	Furniture & Fixtures	2.02	0.11	1.91
3	Office Equipment	3.90	0.24	3.66
B	**Intangible Assets**			
1	Software	0.41	0.05	0.36
	Total	**29.03**	**2.75**	**26.28**

Notes 1. Borrowing cost capitalised during the year under Plant & Machinery ₹ 4.54 lacs (previous year ₹ 2.86 lacs)
2. "#" represents asstes discarded/written off during the year.
3. "*" includes ₹ 105.02 lacs being discarded/written off during the year.

11	NON-CURRENT INVESTMENT	As at 31 March 2012	As at 31 March 2011
	Trade investments (valued at cost unless stated otherwise)		
	Unquoted equity instruments - fully paid		
	Investment in subsidiaries		
	U. S. Safety Syringes Co. LLC, USA USD 3,00,000 (previous year USD 3,00,000) Membership Interest	**130.33**	130.33
	Poly Medicure (Liayang) Co. Ltd. China USD 11,00,000 (previous year USD 11,00,000) Membership Interest	**472.39**	472.39
	Investment in associates		
	27600 (19550) shares of 100 L.E (Egyptian Pound) each in Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	**88.67**	88.67
	Total (Aggregate amount of unquoted investment)	**691.39**	**691.39**

12	LOANS AND ADVANCES	Long Term As at 31 March		Short term As at 31 March	
	(Unsecured, considered good unless stated otherwise)	**2012**	2011	**2012**	2011
	Capital Advances	**672.64**	437.27	-	-
	Security Deposits				
	Considered good	**40.64**	34.97	**27.33**	35.25
	Considered doubtful	**-**	-	**2.84**	2.19
	Less: Provision for doubtful deposits	**-**	-	**(2.84)**	(2.19)
	Loans and advances to subsidiary companies	**117.82**	96.10	-	-
	Other loans and advances				
	Advance for goods / services				
	Considered Good	**-**	-	**119.95**	150.26
	Considered Doubtful	**-**	-	**1.89**	3.24
	Less: Provision for doubtful advances	**-**	-	**(1.89)**	(3.24)
	Loans and advance to employees	**2.94**	2.63	**17.60**	10.58
	Prepaid Expenses	**-**	-	**60.22**	36.47
	Balance with revenue authorities	**-**	-	**339.76**	365.39
	Service tax and VAT refundable	**-**	-	**36.94**	28.14
	MAT Credit entitlement	**-**	322.02	**326.42**	164.20
	Advance tax/ tax deducted at source (net of provision)	**6.95**	5.66	**-**	-
	Total	**840.99**	**898.65**	**928.22**	**790.29**
	Loans and Advances to subsidiary companies includes:				
	Due from Poly Medicure (Laiyang) Co. Ltd., China	**117.02**	95.40	**-**	-
	Maximum amount outstanding during the year ₹ 117.02 lacs (Previous year ₹ 97.13 lacs)				
	Due from US Safety Syringes Co. LLC, USA	**0.80**	0.70	**-**	-
	Maximum amount outstanding during the year ₹ 0.80 lacs (Previous year ₹ 0.71 lacs)				

13 OTHER ASSETS	Non-current		Current	
	As at 31 March		As at 31 March	
	2012	2011	**2012**	2011
Export benefits receivable	**-**	-	**545.94**	281.65
Interest accrued on bank deposits	**1.50**	11.55	**0.53**	-
Premium on forward contracts	**-**	-	**108.18**	67.24
Dividend / Governing council share from associates	**-**	-	**10.40**	15.70
Other receivable	**-**	-	**11.91**	42.31
Non-current bank balances (refer note 16)	**89.12**	60.00	**-**	-
Total	**90.62**	**71.55**	**676.96**	**406.90**

Other receivable includes ₹ 2.33 lacs paid under protest for enhanced cost of land, contested in hon'ble Punjab and Haryana High Court.

14 INVENTORIES	As at 31 March	As at 31 March
(Valued at lower of cost and net realisable value)	**2012**	2011
Raw Materials including packing materials	**2,146.93**	1,832.66
Goods-in transit	**62.44**	182.30
Work-in-progress	**238.47**	182.26
Finished Goods	**229.73**	192.91
Stock-in-trade	**21.99**	-
Stores and spares	**92.10**	22.06
Total	**2,791.66**	**2,412.19**
Additional disclosure regarding inventories		
Raw Materials including packing materials		
Plastic granules	**676.54**	681.15
PVC Sheet	**48.49**	70.83
SS Tube	**34.72**	63.24
Boxes	**88.59**	64.92
Medical paper	**139.93**	73.11
Other miscellaneous items	**1,158.66**	879.41
	2,146.93	**1,832.66**
Work-in-progress		
I V Cannula	**113.19**	133.19
Blood Bag	**75.55**	6.42
Others	**49.73**	42.64
	238.47	**182.27**
Finished Goods		
I V Cannula	**74.58**	64.80
Blood Bag	**11.07**	10.25
Others	**144.08**	117.86
	229.73	**192.91**
Stock in trade		
Others	**21.99**	-

15	TRADE RECEIVABLES	As at 31 March 2012	As at 31 March 2011
	Trade Receivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	**3,147.19**	2,485.78
	Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	**83.23**	137.16
	Unsecured, considered doubtful	**37.36**	39.92
	Less: Provision for doubtful debts	**37.36**	39.92
	Total	**3,230.42**	**2,622.94**

	Outstanding As at 31 March		Maximum balance As at 31 March	
Trade receivable includes:	**2012**	2011	**2012**	2011
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	**135.63**	125.64	**385.87**	327.26
Due from Ultra For Medical Products (UMIC), being associate company	**207.41**	110.71	**285.39**	222.57

16	CASH AND BANK BALANCES	Non-current As at 31 March		Current As at 31 March	
		2012	2011	**2012**	2011
	Cash and cash equivalent				
	Balances with Banks				
	In current and cash credit accounts	**-**	-	**20.21**	12.32
	In unpaid dividend accounts	**-**	-	**7.25**	7.41
	In deposit accounts, with original maturity of less than 3 months	**-**	-	**0.81**	2.94
	Cheques, drafts on hand	**-**	-	**1.00**	10.82
	Cash on hand (including foreign currency notes)	**-**	-	**12.85**	6.96
	Other Bank balances				
	Held as margin money	**65.00**	60.00	**-**	-
	Deposits with original maturity for more than 3 months but less than 12 months	**-**	-	**10.78**	10.38
	Deposits with original maturity for more than 12 months	**24.12**	-	**-**	-
	Amount disclosed under the head "other non-current assets" (Refer note 13)	**(89.12)**	(60.00)	**-**	-
	Total	**-**	-	**52.90**	**50.83**

17 REVENUE FROM OPERATIONS

	Year ended March 31, 2012	Year ended March 31, 2011
Sale of products		
Manufactured goods	**19,654.70**	16,405.39
Traded Goods	**867.46**	216.87
Other operating revenues		
Export Incentives	**433.09**	336.33
Commission received	**15.56**	21.98
Sale of scrap	**146.24**	142.87
Others	**49.22**	13.60
Less: Excise duty	**(274.41)**	(170.29)
Total	**20,891.86**	**16,966.75**
Additional disclosures in respect of sale of products		
Finished goods sold		
I V Cannula	**9,145.35**	7,522.19
Blood Bag	**1,789.95**	984.34
Others	**8,719.40**	7,898.86
	19,654.70	**16,405.39**
Traded goods sold		
Safety scalp vein set	**596.29**	45.21
Others	**271.17**	171.66
	867.46	**216.87**

18 OTHER INCOME

	Year ended March 31, 2012	Year ended March 31, 2011
Interest Income	**18.71**	16.57
Dividend Income	**2.30**	10.25
Other non-operating income		
Provisions / Liabilities no longer required written back (net)	**18.53**	5.12
Miscellaneous Income	**22.41**	7.37
Total	**61.95**	**39.31**

19 COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

	Year ended March 31, 2012	Year ended March 31, 2011
Raw Material Consumed		
Inventory at the beginning of the year	**1,613.46**	1,155.48
Add: Purchases during the year	**5,114.95**	5,198.85
Less: Inventory at the end of the year	**1,762.21**	1,613.46
Cost of raw material consumed (A)	**4,966.20**	**4,740.87**
Packing Material Consumed		
Inventory at the beginning of the year	**219.21**	161.93
Add: Purchases during the year	**1,800.78**	1,331.65
Less: Inventory at the end of the year	**384.72**	219.21
Cost of packing material consumed (B)	**1,635.27**	**1,274.37**
Total (A+B)	**6,601.47**	**6,015.24**

The above consumption figures are disclosed on the basis of derived figures and are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.

Additional disclosures in respect of raw material and packing material consumed

Raw Material Consumed		
Plastic granules	**2,389.91**	2,136.10
PVC Sheet	**338.25**	163.33
SS Tube	**337.78**	275.65
Other miscellaneous items	**1,900.26**	2,165.79
	4,966.20	**4,740.87**
Packing Material Consumed		
Boxes	**436.31**	371.93
Medical paper	**328.93**	362.59
Others	**870.03**	539.85
	1,635.27	**1,274.37**

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

	Year ended		
	March 31, 2012	March 31, 2011	**(Increase) / Decrease**
Inventories at the end of year			
Finished Goods and Stock in Trade	**251.72**	192.91	**(58.81)**
Work in progress	**238.47**	182.26	**(56.21)**
	490.19	375.17	**(115.02)**
Inventories at the beginning of year			
Finished Goods and Stock in Trade	**192.91**	239.65	**46.74**
Work in progress	**182.26**	234.13	**51.87**
	375.17	473.78	**98.61**

21 EMPLOYEE BENEFITS EXPENSES

	March 31, 2012	**Year ended** March 31, 2011
Salaries, wages and bonus	**3,099.22**	2,476.09
Gratuity Expenses	**14.19**	24.79
Contributions to Provident Fund and others	**146.02**	131.22
Staff Welfare Expenses	**34.13**	33.61
Total	**3,293.56**	**2,665.71**

22 RESEARCH AND DEVELOPMENT EXPENSES

	Year ended March 31, 2012	Year ended March 31, 2011
Revenue Expenditure charged to statement of profit and loss		
Material Consumed (Net)	**84.61**	-
Employee benefits expenses	**139.70**	70.38
Power and Fuel	**22.42**	-
Travelling & Conveyance	**9.55**	-
Telephone Charges	**2.07**	-
Total Revenue Expenses	**258.35**	**70.38**
Capital Expenditure	**29.03**	-
Total amount spent on Research and Development	**287.38**	**70.38**

23 OTHER EXPENSES

	Year ended March 31, 2012	Year ended March 31, 2011
Consumption of stores and spare parts	**174.23**	228.92
Power and Fuel	**782.93**	673.83
Job Work Charges	**1,609.18**	1,395.57
Other Manufacturing Expenses	**41.64**	43.55
Repairs to Building	**15.81**	11.00
Repairs to Machinery	**205.61**	163.24
Repairs to Others	**32.95**	26.19
Excise Duty on closing stock	**7.60**	5.63
Insurance (Net)	**30.75**	25.32
Rent	**8.98**	11.83
Rates, Taxes & Fee	**65.85**	29.19
Wealth tax	**1.04**	0.97
Provision for doubtful advances	**-**	2.03
Travelling & Conveyance	**242.47**	198.08
Legal & Professional Fees	**292.58**	332.27
Auditors' Remuneration	**9.89**	8.44
Directors' Sitting Fees	**8.00**	6.90
Donations	**32.93**	25.46
Loss on fixed assets sold/discarded (Net off of gain of ₹ 2.70 lacs , previous year ₹ 0.67 lacs)	**7.40**	19.30
Bank Charges	**88.49**	97.72
Loss on Foreign Exchange Fluctuation (net)	**967.80**	139.64
Telephone & Fax Charges	**35.67**	36.15
Printing & Stationary	**23.10**	19.97
Postage & Courier	**21.93**	28.03
Advertisement	**1.25**	3.65
Commission on sales	**338.54**	206.94
Freight & Forwarding (Net)	**257.50**	309.53
Business Promotion	**120.71**	89.23
Exhibition Expenses	**106.17**	79.44

Rebate, Discounts & Claims	**41.66**	24.21
Bad debts written off	**17.20**	-
Provision for Doubtful debts	**-**	13.47
Other Miscellaneous Expenses	**58.71**	59.45
Total	**5,648.57**	**4,315.15**

24 DEPRECIATION AND AMORTISATION EXPENSES

	March 31, 2012	**Year ended** March 31, 2011
Depreciation of tangible assets	**971.31**	831.31
Amortisation of intangible assets	**27.79**	27.48
Gross Total	**999.10**	**858.79**
Less: Amortisation of Government Grants	**3.58**	-
Net Total	**995.52**	**858.79**

25 FINANCE COST

	31 March, 2012	**Year ended** 31 March, 2011
Interest expense	**480.57**	439.22
Other borrowing costs	**5.64**	4.88
Exchange difference to the extent considered as an adjustment to borrowing costs	**207.15**	(29.57)
Total	**693.36**	**414.53**

26 CONTINGENT LIABILITIES AND COMMITMENTS

a Contingent liabilities not provided for:

₹ in Lacs

Particulars	**Year ended**	
	31-Mar-12	31-Mar-11
Show Cause notices from custom department regarding Advance Licences	-	121.48
Show Cause notices from excise department	28.52	-
Compensation for enhanced cost of Land contested in Punjab & Haryana High Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)	9.34	9.34
Liabilities against legal suits filed	7.21	4.15
Income tax matters under appeal	7.10	7.10

b Obligations and commitments outstanding:

₹ in Lacs

Particulars	**Year ended**	
	31-Mar-12	31-Mar-11
Unexpired letters of credit ₹ 381.90 lacs (P. Y. ₹ 158.12 lacs) and Guarantees issued by bankers ₹ 184.88 lacs (P. Y. ₹ 110.51 lacs), (Net of margins)	566.78	268.63
Bills discounted but not matured	1,309.13	1,008.12
Custom duty against import under Advance Licence Scheme	118.51	60.74
Custom duty against import under EPCG Scheme	76.82	38.18
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	729.65	358.38

27 Foreign currency forward contracts remaining unadjusted & outstanding

(₹ In lacs)

Category	Purpose	Currency / Pair of currency	31-Mar-12		31-Mar-11	
			Amount in foreign currency	Amount in Rs/Lacs	Amount in foreign currency	Amount in Rs/Lacs
Sell	Hedging	USD INR	102.30	4,982.97	81.00	3,835.16
		EURO INR	-	-	2.50	163.83
		EURO USD	-	-	19.27	1,149.33
Buy	Hedging	JPY INR	70.99	44.37		
		USD INR			12.50	565.55

28 Particulars of unhedged foreign currency exposure

(₹ In lacs)

Particulars	Currency	31-Mar-12		31-Mar-11	
		Amount in foreign currency	Amount in Rs/Lacs	Amount in foreign currency	Amount in Rs/Lacs
Trade receivable	EURO	3.99	271.02	4.24	217.13
Other receivable	USD	0.47	24.01	0.18	7.99
Import Payable	USD	11.09	564.20	4.36	186.04
	EURO	1.17	74.14	1.96	124.51
	JPY	100.01	61.78	3.86	2.08
Patents	USD	0.55	27.97	0.34	14.97
	EURO	0.36	24.16		
	SGD	0.08	3.22		
	GBP	0.03	2.29		
	AUD	0.01	0.77		
Legal and Professional Charges	USD	0.24	12.43		
	EURO	0.32	21.96	0.46	29.09
Commission Payable	USD	1.97	100.03	1.34	59.83
	EURO	0.02	1.12	0.04	2.75
Borrowings	USD	16.15	821.76	9.50	423.64
Lendings	USD	2.30	117.02	2.14	95.40

29 Inventories, loans & advances, trade receivables / payables and other current / non-current assets are reviewed annually and in the opinion of the Management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.
The response to letters sent by the Company requesting confirmation of balances has been insignificant. In the management's opinion, in the event of any disparity in the balances, any consequential adjustments required on reconciliation of the balances will not be material in relation to the financial statements of the Company and the same will be adjusted in the financial statements as and when the reconciliation is completed.

30 The Company has made investments in 2 subsidiary companies which are of non-current in nature. As per the latest audited/unaudited financial statements, these subsidiary companies have reported accumulated

losses aggregating to ₹ 323.78 lacs (previous year ₹ 271.87 lacs). In the opinion of the management, the investments in these subsidiary companies are of strategic in nature and based on the future projections, the past losses of these subsidiary companies would be recouped. Hence, such diminution in value of investment has been considered as of temporary in nature and , therefore, no provision of such diminution has been made.

31 Related party disclosures

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

A List of related parties and relationships

a Subsidiaries and Associate

Subsidiaries

1 US Safety Syringes Co. LLC, USA
2 Poly Medicure (Laiyang) Co. Ltd., China

Associate

Ultra For Medical Products (UMIC), Egypt

b Key Management Personnel

1 Mr. Himanshu Baid (Managing Director)
2 Mr. Rishi Baid (Executive Director)
3 Mr. J. K. Baid (Director- relative of Managing Director & Executive Director)
4 Mr. Vishal Baid (President- relative of Managing Director & Executive Director)

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

1 Vitromed Healthcare
2 Jai Polypan Pvt. Ltd.
3 Stilocraft
4 Polycure Martech Ltd.
5 Jaichand Lal Hulasi Devi Baid Charitable Trust

B Transactions with related parties

(₹ In lacs)

Description	Subsidiaries and Associate		Key Management personnel		Enterprises controlled by key management personnel and their relatives	
	Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year
Sales of Goods	**821.92**	**393.17**			**1,059.98**	**811.27**
Ultra for Medical Products Egypt	821.92	393.17				
Vitromed Healthcare					1,059.98	811.27
Purchases of Goods					**52.24**	**68.28**
Vitromed Healthcare					52.24	68.28
Loan Given	**-**	**90.89**			**-**	**-**
Poly Medicure (Laiyang) Co. Ltd., China	-	90.89			-	-

Job work					**1,521.54**	**1,318.12**
Vitromed Health Care					1,521.54	1,318.12
Rent received					**0.24**	**0.24**
Virtomed Healthcare					0.24	0.24
Rent paid					**1.01**	**1.01**
Jai Polypan Pvt. Ltd.					1.01	1.01
Interest on Loan	**9.02**	**6.24**			-	-
Poly Medicure (Laiyang) Co. Ltd., China	9.02	6.24				
Director's Remuneration			**310.25**	**216.86**		
Mr. Himanshu Baid			155.87	108.97		
Mr. Rishi Baid			154.38	107.89		
Salary and perquisites			**21.50**			
Mr. Vishal Baid			21.50			
Sitting fees paid			**1.00**	**0.90**		
Mr. J. K. Baid			1.00	0.90		
Dividend / Share Governing Council due	**2.30**	**10.25**				
Ultra for Medical Devices	2.30	10.25				
Donation Paid					**0.50**	**2.00**
Jaichand Lal Hulasi Devi Baid Charitable Trust					0.50	2.00
Outstanding balances at the year end						
Advance recoverable	**0.80**	**0.70**				
US Safety Syringes Inc., USA	0.80	0.70				
Loan outstanding	**101.76**	**89.16**				
Poly Medicure (Laiyang) Co. Ltd., China	101.76	89.16				
Dividend / Share Governing Council outstanding	**10.40**	**15.70**				
Ultra for Medical Devices	10.40	15.70				
Interest outstanding	**15.26**	**6.24**				
Poly Medicure (Laiyang) Co. Ltd., China	15.26	6.24				
Debtors	**207.41**	**110.71**			**135.63**	**125.64**
Ultra for Medical Products	207.41	110.71				
Vitromed Healthcare					135.63	125.64

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

Particulars	Year ended March 31,2012	Year ended March 31,2011
Number of shares considered as Basic weighted average shares outstanding during the year	**1,10,12,500**	1,10,12,500
Net profit after tax available for equity share holders (₹ In lacs)	**1,926**	2,169
Basic & Diluted Earnings per Share (in ₹)	**17.49**	19.70

33 Payment to Auditors

(₹ In lacs)

Particulars	Year ended 31-Mar-12	Year ended 31-Mar-11
Audit Fee	**6.20**	5.50
Tax audit Fee	**0.75**	0.75
Limited Review of Results	**1.05**	0.75
In other capacity		
(a) For Taxation matters	**0.15**	0.25
(b) For Certification work	**0.76**	0.33
Reimbursement of expenses	**0.98**	0.86
Total	**9.89**	8.44

34 Employee Benefit:

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

(₹ In lacs)

Particulars	For the Year ended March 31, 2012		For the Year ended March 31, 2011	
	Gratuity (Unfunded)	Leave encashment / Compensated Absences (Unfunded)	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)
Obligations at year beginning	**86.88**	**39.51**	73.57	38.93
Service Cost - Current	**17.83**	**11.61**	25.97	11.07
Interest Cost	**7.38**	**3.36**	5.89	3.11
Actuarial (gain) loss	**(10.88)**	**11.73**	(7.07)	1.31
Benefit Paid	**(10.30)**	**(22.84)**	(11.48)	(14.91)
Obligations at year end	**90.91**	**43.37**	86.88	39.51
Liability recognised in the Balance Sheet	**90.91**	**43.37**	86.88	39.51

The principal assumptions used in determining post employment benefit obligations are as below:

Particulars	Gratuity 2012 (in %)	Leave Encashment 2012 (in %)	Gratuity 2011 (in %)	Leave Encashment 2011 (in %)
Discount Rate	8.5	8.5	8	8
Future salary increases	6	6	5.5	5.5

35 Financial and Derivate Instruments:

The Mark to Market losses or gains on unexpired Derivative Contracts entered into to hedge the risk of changes in Foreign Currency Exchange Rate on Future Export Sales against the existing long term contracts, are accounted for on maturity of the contracts so as to safe guard against considerable volatility in foreign exchange rates during the intervening period. The company has not adopted AS - 30 "Financial Instruments, Recognition and Measurement" nor accounted for mark to market losses for unexpired Derivative Contracts outstanding as at 31st March 2012. The Mark to Market notional losses as on March 31, 2012 are of ₹ 964.66 lacs (previous year ₹ 1176.57 lacs) and with the considerable volatility in foreign exchange rates, the impact may increase or decrease .The company has been accounting for the losses or gains on maturity of the contracts.

36 In view of option allowed by the Ministry of Corporate Affairs vide its notification dated 29th December 2011 on AS 11, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded have been accumulated in a "Foreign Currency Monetary Items Translation Difference Account" to be amortised over the balance period of such long term assets or liabilities. Pursuant to such adoption, a sum of ₹ 49.55 lacs is remained to be amortised over the balance period of such assets or liabilities. Had the option not being exercised, the profits of the company would have been lower by ₹ 49.55 lacs.

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

38 Leases :

Operating leases

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

ii) Lease rental expenses in respect of operating leases: ₹ 8.98 lacs (previous year ₹ 11.48 lacs)

39 Particulars in respect of Loans and Advances in the nature of loans as required by the Listing Agreements:

Loans and advance to subsidiary companies:

(₹ In lacs)

Particulars		Balance as at		Maximum balance out-standing during the year	
		31.03.2012	31.03.2011	2011-12	2010-11
i	US Safety Syringes Co. LLC, USA	0.80	0.70	0.80	0.71
ii	Poly Medicure (Laiyang) Co. Ltd., China	117.02	95.40	117.02	97.13
	Total	**117.82**	**96.10**		

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

40 Employee Stock Option Scheme

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

i Vesting Period

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

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

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

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

No option has yet been exercised as the vesting period has not commenced.

41 Value of imports calculated on CIF basis in respect of :

(₹ In lacs)

	Particulars	**Year ended**	Year ended
		31-Mar-12	31-Mar-11
I	Raw Materials	**3,433.59**	3,205.99
II	Traded Goods	**638.25**	143.91
III	Stores, Spares & Packing Materials	**624.89**	253.59
IV	Capital Items	**946.62**	780.10
	Total	**5,643.35**	4,383.59

42 Expenditure in foreign currency (on accrual basis) :

(₹ In lacs)

	Particulars	**Year ended**	Year ended
		31-Mar-12	31-Mar-11
I	Interest	**128.24**	72.57
II	Traveling Expenses	**43.63**	42.80
III	Legal & Professional Charges	**176.27**	230.48
IV	Commission	**152.63**	93.00
V	Bank Charges	**12.27**	0.21
VI	Exhibition Expenses	**79.23**	33.90
VII	Rates Taxes & Fees	**0.59**	0.00
VIII	Rebate , discount & claims	**2.87**	10.79
	Total	**595.73**	483.76

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

(₹ In lacs)

	Particulars	**Year ended**		Year ended	
		31-Mar-12		31-Mar-11	
		Value	**%**	Value	%
1	Raw materials				
	Imported	**3,450.36**	**69.48**	3327.48	70.19
	Indigenous	**1,515.84**	**30.52**	1413.39	29.81
	Total	**4,966.20**	**100.00**	4740.87	100.00
2	Stores, Spares & Packing Material				
	Imported	**559.39**	**30.91**	207.29	13.79
	Indigenous	**1,250.10**	**69.09**	1296.01	86.21
	Total	**1,809.49**	**100.00**	1503.30	100.00

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

44 Earning in Foreign Exchange (on accrual basis):

(₹ In lacs)

	Particulars	Year ended 31-Mar-12	Year ended 31-Mar-11
I	FOB Value of Exports During the Year	**11,884.75**	9,840.62
II	Others (Freight, Insurance, Commission, Interest, fees etc. recovered)	**431.81**	245.01
III	Dividend / Governing Council share from Associates	**2.30**	10.25
	Total	**12,318.86**	10,095.88

45 The total amount remitted in Foreign Currency on account of Dividend in respect of shares held by non-residents are given here under:

	Particulars	Year ended 31-Mar-12	Year ended 31-Mar-11
I	Number of Non Resident Shareholders	**3**	3
II	Number of Equity Shares held by them	**42,000**	42,000
III	Amount of Dividend paid (Gross) (₹ In lacs)	**1.26**	1.05
IV	Tax Deducted at Sources	**-**	-
V	Year to which dividend relates	**2010-11**	2009-10

46 Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

All Notes number 1 to 46 forms an integral part of the Financial Statements.

As per our report of even date annexed

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

M.S. Agarwal
Partner
Membership No.86580

For and on behalf of the Board

Himanshu Baid
Managing Director
DIN:00014008

Rishi Baid
Executive Director
DIN:00048585

J. K. Oswal
VP (Finance)

Sonia Singh
Company Secretary

Place: New Delhi
Date: 28.05.2012

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors
POLY MEDICURE LIMITED

1. We have audited the attached Consolidated Balance Sheet of **POLY MEDICURE LIMITED** ('the Company') and its Subsidiaries and Associate (collectively referred to as 'the Group') as at 31 March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the Financial Statements of foreign Subsidiaries and Associate whose financial year ends on 31st March, 2012 and 31st December, 2011 respectively and whose financial statements reflect total assets of ₹ 4,621.83 lacs as at reporting date, total revenue of ₹ 2,839.92 lacs, and net Cash flow amounting to ₹ 55.30 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", and Accounting Standard (AS) 23, "Accounting for investment in Associates in consolidated financial statements" as notified by Companies (Accounting Standard) Rules 2006.

5. Attention is drawn to Note No. 34 to notes on Financial Statement for the year ended 31st march 2012, wherein it is stated that Mark to Market losses of ₹ 964.66 lac on derivative transactions have not been accounted for owing to considerable volatility in the relevant foreign exchange rate.

6. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements as explained in paragraph 3 above and on the other financial information of the components and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
   ii. in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
   iii. in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

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

M S Agarwal
Partner
Membership No. 86580

Place: New Delhi
Dated: May 28, 2012

Consolidated Balance Sheet As at 31 March, 2012

(₹ in Lacs)

Particulars			Note No.	As at 31 March 2012		As at 31 March 2011	
I	**EQUITY AND LIABILITIES**						
1	**Shareholders' funds**						
	(a)	Share capital	1	**1,101.25**		1,101.25	
	(b)	Reserves and surplus	2	**8,248.88**	**9,350.13**	6,705.22	7,806.47
2	**Minority Interest**				**6.16**		10.97
3	**Non-current liabilities**						
	(a)	Long-term borrowings	3	**1,833.24**		1,244.17	
	(b)	Deferred tax liabilities (Net)	4	**536.94**		316.92	
	(c)	Other Long term liabilities	5	**238.02**		133.54	
	(d)	Long-term provisions	6	**126.00**	**2,734.20**	115.61	1,810.24
4	**Current liabilities**						
	(a)	Short-term borrowings	7	**1,585.32**		1,633.64	
	(b)	Trade payables	8	**1,991.25**		1,610.00	
	(c)	Other current liabilities	9	**2,064.45**		2,023.34	
	(d)	Short-term provisions	6	**443.10**	**6,084.12**	439.53	5,706.51
		TOTAL			**18,174.61**		**15,334.19**
II	**ASSETS**						
1	**Non-current assets**						
	(a)	Fixed assets	10				
		(i) Tangible assets		**8,343.25**		6,726.05	
		(ii) Intangible assets		**140.32**		236.97	
		(iii) Capital work-in-progress		**127.10**		550.91	
		(iv) Intangible assets under development		**393.77**		228.03	
	(b)	Goodwil on consolidation		**30.67**		30.67	
	(c)	Non-current investments	11	**239.66**		202.50	
	(d)	Long-term loans and advances	12	**723.17**		802.55	
	(e)	Other non-current assets	13	**90.62**	**10,088.56**	71.55	8,849.23
2	**Current assets**						
	(a)	Inventories	14	**3,009.90**		2,526.64	
	(b)	Trade receivables	15	**3,345.92**		2,674.59	
	(c)	Cash and bank balances	16	**68.17**		60.99	
	(d)	Short-term loans and advances	12	**980.95**		815.84	
	(e)	Other current assets	13	**681.11**	**8,086.05**	406.90	6,484.96
		TOTAL			**18,174.61**		**15,334.19**

Significant accounting policies
Notes on financial statement 1 to 39

The Notes referred to above forms an integral part of consolidated Financial Statements

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

For and on behalf of the Board of Directors

M. S. Agarwal	Himanshu Baid	Rishi Baid
Partner	Managing Director	Executive Director
Membership No. 86580	DIN: 00014008	DIN: 00048585
Place : New Delhi	J. K. Oswal	Sonia Singh
Date : 28.05.2012	VP (Finance)	Company Secretary

Consolidated Statement of Profit and Loss for the Year ended March 31, 2012

(₹ in Lacs)

Particulars	Note No.	Year ended 31 March 2012	Year ended 31 March 2011
INCOME			
Revenue from operations (Gross)	17	**21,978.34**	17,465.42
Less: Excise Duty		**(275.55)**	(170.29)
Revenue from operations (Net)		**21,702.79**	17,295.13
Other income	18	**61.95**	39.31
Total Revenue (I)		**21,764.74**	**17,334.44**
EXPENDITURE			
Cost of raw materials including packing materials consumed	19	**6,985.14**	6,168.98
Purchases of Stock-in-Trade		**689.60**	174.77
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	**(115.02)**	98.61
Employee benefits expense	21	**3,438.11**	2,746.73
Research and development expenses	22	**258.35**	70.38
Other expenses	23	**5,755.25**	4,370.42
Total (II)		**17,011.43**	**13,629.89**
Earnings before Interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**4,753.31**	**3,704.55**
Depreciation and amortization expense	24	**1,174.01**	942.32
Finance cost	25	**695.47**	421.22
Profit before tax (III)		**2,883.83**	**2,341.01**
Tax expense:			
(1) Current tax		**742.70**	480.40
(3) Tax adjustment for earlier years (net)		**3.79**	(1.22)
(4) Deferred tax		**219.99**	(116.41)
(5) Minimum Alternative Tax Credit Entitlement		-	(138.71)
(6) Minimum Alternative Tax Credit Entitlement for earlier years		**(3.79)**	-
Total tax expenses (IV)		**962.69**	**224.04**
Profit for the year (III - IV)		**1,921.14**	**2,116.97**
Add: Share of profit from associates		**19.43**	44.52
Add: Loss attributable to Minority Interest		**6.36**	5.66
Net profit for the year		**1,946.93**	**2,167.15**
Earnings per equity share:			
Basic / Diluted (Face value ₹ 10 each) in rupees		**17.68**	19.68
Significant accounting policies			
Notes on consolidated financial statement	1 - 39		

The Notes referred to above form an integral part of the consolidated Financial Statements

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 : 28.05.2012

J.K.Oswal
VP (Finance)

Sonia Singh
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2012

(₹ in Lacs)

	Particulars	Year ended 31-Mar-12	Year ended 31-Mar-11
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	2,883.83	2,341.01
	Adjusted for:		
	Depreciation and amortisation	1,174.01	942.32
	Interest expense	695.47	421.23
	Interest income	(18.71)	(16.57)
	Dividend on non-trade investments	(2.30)	(10.25)
	Loss/(profit) on sale of fixed assets, net	7.40	19.30
	Debts/advances written off	17.20	-
	Provision for doubtful debts and advances	(2.98)	15.50
	Credit balances no longer required, written back	(15.55)	(5.12)
	provision for Wealth tax	1.04	-
	Unrealised foreign exchange (gain) /loss	(54.95)	(105.13)
	Other adjustments including minority	(5.28)	(2.46)
	Operating profit before working capital changes	**4,679.18**	**3,599.83**
	Movement in working capital		
	Decrease/ (increase) in sundry debtors	(640.25)	(464.35)
	Decrease/(Increase) in loans and advances	(302.85)	(251.74)
	Decrease/(increase) in inventories	(483.27)	(351.54)
	Increase/ (decrease) in current liabilities and provisions	625.90	174.48
	Cash generated from operations	**3,878.71**	**2,706.69**
	Direct taxes paid (net of refunds)	(576.85)	(459.02)
	Net cash from operating activities	**3,301.86**	**2,247.66**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	(2,692.77)	(2,386.11)
	Proceeds from / (Investment in) Fixed Deposits (net)	(0.40)	(10.38)
	Proceeds from sale of fixed assets	32.85	1.00
	Dividend and Interest income	21.02	26.82
	Net cash used for investing activities	**(2,639.30)**	**(2,368.67)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Increase in securities Premium Account	-	6.77
	Proceeds from term loans	424.94	792.73
	Dividend Paid	(330.38)	(271.58)
	Dividend Tax Paid	(54.87)	(46.34)
	Interest / Finance charges paid	(695.47)	(421.23)

Net cash from (used for) financing activities	**(655.78)**	**60.35**
Net increase in cash and cash equivalents (A+B+C)	6.78	(60.66)
Cash and cash equivalents at the beginning of the year	50.61	111.27
Cash and cash equivalents at the end of the year	**57.39**	**50.61**

Notes

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

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

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

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 : 28.05.2012

J. K. Oswal
VP (Finance)

Sonia Singh
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

i) Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and to comply with Accounting Standards prescribed in Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the powers conferred under section 642(1)(a) and the relevant provisions of the Companies Act, 1956.

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

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

b) PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

c) USE OF ESTIMATES

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

d) PRINCIPLES OF CONSOLIDATION

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

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

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

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

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

iv) Companies considered in the consolidated financial statements are:

Name of the Company	Country of incorpor-ation	Holding as on March 31, 2012	Financial year ends on
Subsidiary			
U.S.Safety Syringes Co., LLC	USA	75%	31-Mar-12
Poly Medicure (Lai Yang) Company Limited	China	100%	31-Mar-12
Associates			
Ultra For Medical Products Company (Ultra Med)	Egypt	23%	31-Dec-11

e) FIXED ASSETS

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

f) INVESTMENTS

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

g) DEPRECIATION AND AMORTISATION

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

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

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

h) INVENTORIES

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

i) REVENUE RECOGNITION

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

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

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

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

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

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

j) FOREIGN CURRENCY TRANSACTIONS, FORWARD CONTRACTS AND DERIVATIVES

i) Transactions denominated in the foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

ii) Monetary items denominated in foreign currencies other than those covered by forward exchange contracts are transferred into rupees equivalent at the rate of exchange prevailing on the Balance Sheet date. Non-monetary items, which are carried at historical costs denominated in a foreign currency, are reported using the exchange rate at the date of the transaction Exchange differences that arise on settlement of monetary items or on reporting date are recognized as income or expense in the period in which they arise.

iii) In respect of forward exchange contracts, the premium or discount arising at the inception of such a Forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences arising on such contracts are

recognized in the statement of Profit & Loss of the reporting period in which the exchange rates change.

iv) The company intends to adopt Accounting Standard (AS-30), "Financial Instruments, Recognition and Measurement" in due course. Till the adoption of AS 30, Mark to Market losses or gains on un-expired Forward Contracts entered into to hedge the risk of changes in Foreign Currency Exchange Rate on future export sales against the existing long term contracts are accounted for on maturity of the contracts so as to safe guard against considerable volatility in foreign exchange rates during the intervening period.

v) In accordance with Accounting Standard - 11 "Accounting for the effects of changes in foreign exchange rate", exchange differences arising in respect of long term foreign currency monetary items:

- used for acquisition of depreciable capital assets are added to or deducted from the cost of assets and are depreciated over the balance life of assets.
- used for purpose other than acquisition of depreciable assets are accumulated in "foreign currency monetary items translation differences account" and amortised over the balance period of such assets or liabilities.

k) GOVERNMENT GRANTS

Capital subsidy under 15% central investment subsidy scheme of Government of uttarakhand is recognised on a systematic and rational basis by adopting deferred income approach in proportion of the applicable depreciation over the remaining useful life of the respective assets and is adjusted against the depreciation in statement of profit and loss.

l) RETIREMENT BENEFITS

i) Retirement benefits in the form of Provident fund is accounted on accrual basis and charged to the statement of Profit & Loss.

ii) Provision for liability towards gratuity and unavailed earned leaves benefits to employees is made on the basis of actuarial valuation.

m) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of the qualifying assets are capitalised as part of the cost of such assets, till the assets are ready for use. All other borrowing costs are charged to revenue in the period in which they are incurred.

n) LEASES

i) Finance leases or similar arrangement, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed as leased assets. Finance charges are charged directly against income.

ii) Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

iii) Assets acquired on leases where a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

o) EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the company's EPS comprise the Net Profit or Loss for the period after tax and extra ordinary items. The basic EPS is computed on the basis of weighted average number of equity shares outstanding during the year. The number of shares for computation of diluted EPS comprises of weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

p) TAXES ON INCOME

i) Tax expense for the year comprises of Current Tax, and Deferred Tax. Current taxes are measured at the current rate of tax in accordance with provisions of the Income Tax Act, 1961.

ii) Deferred tax Assets and Liabilities are recognized for future tax consequences attributable to the timing differences that result between taxable profit and the profit as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance

Sheet date,

iii) Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses under tax laws to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

iv) The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statement of Profit and Loss in the year of change.

q) IMPAIRMENT OF ASSETS

The carrying values of fixed assets and other assets of a cash generating unit are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, if any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets of the cash generating units are written down to their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the assets belongs Impairment losses are recognised in the statement of Profit and Loss.

r) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

s) MEASUREMENT OF EBITDA

The company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

t) CASH AND CASH EQUIVALENTS

For the purpose of cash Flow Statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

Notes on Consolidated Financial Statement for the year ended 31st March 2012

1 SHARE CAPITAL	As at 31 March 2012	(₹ in Lacs) As at 31 March 2011
Authorised share Capital		
1,50,00,000 (1,50,00,000) Equity Shares of ₹ 10 each	**1,500.00**	1,500.00
Issued, subscribed & paid up shares		
1,10,12,500 (1,10,12,500) Equity Shares of ₹ 10 each fully paid up	**1,101.25**	1,101.25
Total	**1,101.25**	**1,101.25**

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

Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	**₹ in Lacs**	No. of Shares	₹ in Lacs
At the beginning of the year	**1,10,12,500**	**1,101.25**	1,10,12,500	1,101.25
Add: Issued during the year	**-**	**-**	-	-
Less: Bought back during the year	**-**	**-**	-	-
Outstanding at the end of year	**1,10,12,500**	**1,101.25**	**1,10,12,500**	**1,101.25**

1.2 Terms/rights attached to equity shares

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

During the year ended 31st March 2012, the amount of per share dividend recognised as distribution to equity share holders is ₹ 3 (31st March 2011 ₹ 3)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

1.3 Details of shareholders' holding more than 5% shares in the company

	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	**% of Holding**	No. of Shares	% of Holding
M/s Allegeny Finlease private Limited	**15,71,686**	**14.27%**	15,71,686	14.27%
Sh. Rishi Baid	**12,28,256**	**11.15%**	12,28,256	11.15%
M/s BS Trade Invest Private Limited	**11,98,080**	**10.88%**	11,98,080	10.88%
Sh. Himanshu Baid	**10,09,328**	**9.17%**	10,09,328	9.17%
M/s Vision Millenium Exports Pvt. Ltd.	**5,88,131**	**5.34%**	5,86,931	5.33%

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

1.4 Shares allotted for consideration other than cash

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Equity Shares allotted as fully paid bonus shares by capitalisation of Securities Premium Account and General Reserve	-	-	55,06,250	-	-

2 RESERVES AND SURPLUS	**As at 31 March 2012**	As at 31 March 2011
Capital Reserves		
Surplus on re-issue of forfeited shares	**13.19**	13.19
Application money received on Preferential Warrants issued to promoters forfeited	**33.79**	33.79
Capital reserve on change in interest in equity of associates	**68.90**	60.42
Securities Premium Account	**6.77**	6.77
Foreign Currency Monetary Translation Account		
Balance at the beginning of the year	**-**	-
Add: Addition during the year	**(49.55)**	-
Closing Balance	**(49.55)**	-
General Reserve		
Balance at the beginning of the year	**4,351.38**	3,351.38
Add: Addition during the year	**1,000.00**	1,000.00
Closing Balance	**5,351.38**	4,351.38
Foreign currency fluctuation reserve	**226.97**	42.71
Surplus in statement of Profit and Loss		
Balance at the beginning of the year	**1,952.42**	1,403.06
Add: Addition during the year	**1,946.93**	2,167.15
Less: Proposed Dividend	**330.38**	327.72
Less: Tax on Proposed Dividend	**53.60**	54.42
Less: Transferred to General Reserve	**1,000.00**	1,000.00
Closing Balance	**2,515.38**	2,188.07
Shares in reserves in associates	**62.66**	8.89
Government Grants (Deferred Income Approach)		
Capital Investment Subsidy		
Balance at the beginning of the year	**-**	-
Add: Addition during the year	**22.97**	-
Less: Adjusted against depreciation (Refer Note no. 24)	**3.58**	-
Closing Balance	**19.39**	-
Grand Total	**8,248.88**	**6,705.22**

3	LONG TERM BORROWINGS	Non-current portion As at 31 March		Current maturities As at 31 March	
		2012	2011	**2012**	2011
	Secured				
	(i) Term loans from banks	**1,672.50**	1,177.97	**1,041.76**	1,171.30
	(ii) Others - Vehicle Loan from banks	**36.58**	43.83	**23.80**	22.88
	(iii) Deferred payment liabilities	**124.16**	-	**93.12**	-
	Unsecured				
	Deferred payment liabilities	-	22.37	**23.95**	54.71
	Amount disclosed under the head "other current liabilities" (note 9)	-	-	**1,182.63**	1,248.89
	Total	**1,833.24**	**1,244.17**	**-**	**-**
3.1	**Term loan comprise of the following:**				
	From Bank				
	Rupee Loan	**559.61**	103.81	**220.00**	619.00
	Foreign Currency Loan	**1,112.89**	1,074.16	**821.76**	552.30

3.2 Terms of repayment:

From Banks

Lending institution	Weighted average Rate of interest (P.A.)	Installment	Outstanding as at 31.3.2012	Annual repayment schedule			
				2012-13	2013-14	2014-15	2015-16
Rupee Loan	13.15%	Qtr	779.61	220.00	440.00	440.00	460.00
Sanctioned amount ₹ 1560.00 lacs							
Foreign Currency Loan	6.55%	Monthly /Qtr	1,934.65	821.76	516.89	596.00	-
Others - Vehicle Loan	9.55%	Monthly	60.38	23.80	15.81	14.39	6.37
Deferred Payment Liabilities	-	3 in year	241.23	117.07	93.12	31.04	-

3.3 Details of security:

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

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

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

4 DEFERRED TAX LIABILITY (NET)

In accordance with Accounting Standard 22 "Accounting for taxes on Income" (AS-22), the company has accounted for deferred taxes during the year as under:

Following are the major components of Deferred Tax Liabilities and Deferred Tax Assets:

	Component	As at 31 March 2012	As at 31 March 2011
	Deferred Tax Liabilities:		
(i)	Difference in depreciation between Accounting books and tax Return	**620.78**	395.53
	Total	**620.78**	**395.53**
	Deferred Tax Assets:		
(i)	Provision for retirement benefits	**(43.57)**	(41.01)
(ii)	Provision for Bonus	**(26.61)**	(23.93)
(iii)	Provision for doubtful debts and advances	**(13.66)**	(13.67)
Total		**(83.84)**	**(78.61)**
Net Deferred Tax liability (Assets)		**536.94**	**316.92**

5 OTHER LONG TERM LIABILITIES

	As at 31 March 2012	As at 31 March 2011
Security Deposits from Agents	**120.00**	53.90
Unearned revenue	**118.02**	79.64
Total	**238.02**	**133.54**

6 PROVISIONS

	Long Term As at 31 March		Short term As at 31 March	
	2012	2011	**2012**	2011
Provision for employee benefits				
Gratuity	**84.86**	78.31	**6.05**	8.57
Leave Encashment	**41.14**	37.30	**2.23**	2.21
Other provisions				
Provision for Income tax	**-**	-	**49.80**	42.53
Provision for Wealth tax	**-**	-	**1.04**	0.97
Proposed dividend	**-**	-	**330.38**	330.38
Tax on proposed dividend	**-**	-	**53.60**	54.87
Total	**126.00**	**115.61**	**443.10**	**439.53**

7 SHORT-TERM BORROWINGS

	As at 31 March 2012	As at 31 March 2011
Secured - from banks		
Cash / Export Credit Loan	**1,538.76**	1,633.64
Buyers credit	**46.56**	-
Total	**1,585.32**	**1,633.64**

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

receivables and are further secured by way of extension of second pari-passu charge on entire fixed assets of the company both present & future and are guaranteed by Managing Director & Executive Director of the company.

8	**TRADE PAYABLES**	**As at 31 March 2012**	As at 31 March 2011
	Trade payables (including acceptances)	**1,991.25**	1,610.00

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 31 March 2012**	As at 31 March 2011
i	Principal amount remaining unpaid as at end of the year	-	-
ii	Interest due on above	-	-
1	Total of (i) & (ii)	-	-
2	Interest paid on delayed payment of principal, paid along with such interest during the year	-	-
3	Interest due on delayed payment of principal, paid without such interest during the year	-	-
4	Interest accrued but not due, in respect of delayed payments of principal due as at end of the year	-	-
5	Total interest due and payable together with that from prior year(s)	-	-

9	**OTHER CURRENT LIABILITIES**	**As at 31 March 2012**	As at 31 March 2011
	Current maturities of long-term borrowings (Refer note no. 3)	**1,182.63**	1,248.89
	Interest accrued but not due on borrowings	**21.71**	7.37
	Interest accrued and due on borrowings	**33.38**	16.12
	Advance from customers	**208.93**	339.86
	Unearned revenue	**49.22**	23.31
	Unpaid dividends	**7.25**	7.41
	Other payables		
	Statutory dues	**125.36**	80.30
	Employees related liabilities	**356.36**	274.47
	Payables for capital goods	**51.81**	23.25
	Others	**27.80**	2.36
	Total	**2,064.45**	**2,023.34**

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

10 FIXED ASSETS (₹ in lacs)

Sr. No.	Particulars	Gross Block				Depreciation/Amortisation				Net Block	
		As at 1 April 2011	Additions	Sales / adjustments	As at 31 March 2012	As at 1 April 2011	For the Year	On Sales / adjusments	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
A	**Tangible Assets**										
1	Freehold Land	248.37	-	-	248.37	-	-	-	-	248.37	248.37
2	Leasehold Land	425.17	-	-	425.17	4.61	4.48	-	9.09	416.08	420.56
3	Building	1,770.06	322.48	-	2,092.54	338.24	71.70	-	409.94	1,682.60	1,431.82
4	Plant & Machinery	7,767.43	2,249.07	141.44 *	9,875.06	3,541.84	900.04	127.30	4,314.63	5,560.43	4,225.59
5	Furniture & Fixtures	143.58	33.95	6.18 *	171.35	66.37	22.98	6.18	83.17	88.18	77.21
6	Office Equipment	190.94	42.52	24.51 *	208.95	85.16	22.33	22.17	85.32	123.63	105.78
7	Vehicles	280.33	36.26	1.89	314.70	63.61	28.22	1.09	90.74	223.96	216.72
B	**Intangible Assets**										
1	Software	57.74	8.52	-	66.26	37.07	15.21	-	52.28	13.98	20.67
2	Patent, Trade Marks and Others	307.25	22.67	-	329.92	90.95	112.63	-	203.58	126.34	216.30
	Total	**11,190.87**	**2,715.47**	**174.02**	**13,732.32**	**4,227.85**	**1,177.59**	**156.74**	**5,248.75**	**8,483.57**	**6,963.02**
	Previous Year	**9,872.77**	**1,589.88**	**271.78**	**11,190.87**	**3,537.00**	**942.36**	**251.50**	**4,227.85**	**6,963.02**	

Addition during the year includes Fixed Assets for Research and Development

Particulars	Additions during the year	Depreciation for the year	Net Block As at 31 March 2012
Tangible Assets			
Plant & Machinery	22.70	2.35	20.35
Furniture & Fixtures	2.02	0.11	1.91
Office Equipment	3.90	0.24	3.66
Intangible Assets			
Software	0.41	0.05	0.36
Total	**29.03**	**2.75**	**26.28**

Notes
1. Borrowing cost capitalised during the year under Plant & Machinery ₹ 4.54 lacs (previous year ₹ 2.86 lacs)
2. "#" represents asstes discarded/written off during the year.
3. "*" includes ₹ 105.02 lacs being discarded/written off during the year.

11 NON-CURRENT INVESTMENT	As at 31 March 2012	As at 31 March 2011
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments - fully paid		
Investment in associates		
27600 (19550) shares of 100 L.E (Egyptian Pound) each Ultra for Medical Products (U.M.I.C) S.A.E., Egypt	**239.66**	202.50
Total (Aggregate amount of unquoted investment)	**239.66**	**202.50**

12 LOANS AND ADVANCES	Long Term As at 31 March		Short term As at 31 March	
(Unsecured, considered good unless stated otherwise)	**2012**	2011	**2012**	2011
Capital Advances	**672.64**	437.27	-	-
Security Deposits				
Considered good	**40.64**	34.97	**27.33**	35.25
Considered doubtful	**-**	-	**2.84**	2.19
Less: Provision for doubtful deposits	**-**	-	**(2.84)**	(2.19)
Other loans and advances				
Advance for goods / services				
Considered Good	**-**	-	**158.10**	168.43
Considered Doubtful	**-**	-	**1.89**	3.24
Less: Provision for doubtful advances	**-**	-	**(1.89)**	(3.24)
Loans and advance to employees	**2.94**	2.63	**17.60**	10.58
Prepaid Expenses	**-**	-	**67.87**	43.80
Balance with revenue authorities	**-**	-	**339.76**	365.39
Service tax and VAT refundable	**-**	-	**43.87**	28.19
MAT Credit entitlement	**-**	322.02	**326.42**	164.20
Advance tax/ tax deducted at source (net of provision)	**6.95**	5.66	**-**	-
Total	**723.17**	**802.55**	**980.95**	**815.84**

13 OTHER ASSETS	Non-current As at 31 March		Current As at 31 March	
	2012	2011	**2012**	2011
Export benefits receivable	**-**	-	**545.94**	281.65
Interest accrued on bank deposits	**1.50**	11.55	**0.53**	-
Premium on forward contracts	**-**	-	**108.18**	67.24
Dividend / Governing council share from associates	**-**	-	**10.40**	15.70
Other receivable	**-**	-	**16.06**	42.31
Non-current bank balances (refer note 16)	**89.12**	60.00	**-**	-
Total	**90.62**	**71.55**	**681.11**	**406.90**

Other receivable includes ₹ 2.33 lacs paid under protest for enhanced cost of land, contested in Hon'ble Punjab and Haryana High Court.

14	**INVENTORIES** (Valued at lower of cost and net realisable value)	**As at 31 March 2012**	As at 31 March 2011
	Raw Materials including packing materials	**2,203.04**	1,860.87
	Goods-in transit	**63.04**	182.30
	Work-in-progress	**282.93**	203.90
	Finished Goods	**342.06**	245.10
	Stock-in-trade	**21.99**	-
	Stores and spares	**96.84**	34.47
	Total	**3,009.90**	**2,526.64**
	Additional disclosure regarding inventories		
	Raw Materials including packing materials		
	Plastic granules	**676.54**	681.15
	PVC Sheet	**48.49**	70.83
	SS Tube	**34.72**	63.24
	Boxes	**88.59**	64.92
	Medical paper	**139.93**	73.11
	Other miscellaneous items	**1,214.77**	907.62
		2203.04	**1860.67**
	Work-in-progress		
	I V Cannula	**113.19**	133.19
	Blood Bag	**75.55**	6.42
	Others	**94.19**	64.29
		282.93	**203.90**
	Finished Goods		
	I V Cannula	**74.58**	64.80
	Blood Bag	**11.07**	10.25
	Others	**256.41**	170.05
		342.06	**245.10**
	Stock in trade		
	Others	**21.99**	-

15	**TRADE RECEIVABLES**	**As at 31 March 2012**	As at 31 March 2011
	Trade Receivables outstanding for a period less than six months from the date they are due for payment		
	Unsecured, considered good	**3,262.69**	2,537.43
	Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	**83.23**	137.16
	Unsecured, considered doubtful	**37.36**	39.92
	Less: Provision for doubtful debts	**37.36**	39.92
	Total	**3,345.92**	**2,674.59**

	Outstanding As at 31 March		Maximum balance As at 31 March	
Trade receivable includes:	**2012**	2011	**2012**	2011
Due from Vitromed Healthcare, a partnership firm in which promoter directors and their relatives are partners	**135.66**	125.64	**385.87**	327.26
Due from Ultra For Medical Products (UMIC), being associate company	**207.41**	110.71	**285.39**	222.57

16 CASH AND BANK BALANCES

	Non-current As at 31 March		Current As at 31 March	
	2012	2011	**2012**	2011
Cash and cash equivalent				
Balances with Banks				
In current and cash credit accounts	**-**	-	**24.10**	19.26
In unpaid dividend accounts	**-**	-	**7.25**	7.41
In deposit accounts, with original maturity of less 3 months	**-**	-	**0.81**	2.94
Cheques, drafts on hand	**-**	-	**1.00**	10.82
Cash on hand (including foreign currency notes)	**-**	-	**24.23**	10.18
Other Bank balances				
Held as margin money	**65.00**	60.00	**-**	-
Deposits with original maturity for more than 3 months but less than 12 months	**-**	-	**10.78**	10.38
Deposits with original maturity for more than 12 months	**24.12**	-	**-**	-
Amount disclosed under the head "other non-current assets" (Refer note 13)	**(89.12)**	(60.00)	**-**	-
Total	**-**	-	**68.17**	**60.99**

17 REVENUE FROM OPERATIONS

	Year ended	
	March 31, 2012	March 31, 2011
Sale of products		
Manufactured goods	**20,466.77**	16,733.77
Traded Goods	**867.46**	216.87
Other operating revenues		
Export Incentives	**433.09**	336.33
Commission received	**15.56**	21.98
Sale of scrap	**146.24**	142.87
Others	**49.22**	13.60
Less: Excise duty	**(275.55)**	(170.29)
Total	**21,702.79**	**17,295.13**

Additional disclosures in respect of sale of products

Finished goods sold		
I V Cannula	**9,145.35**	7,522.19
Blood Bag	**1,789.95**	984.34
Others	**9,531.47**	8,227.24
	20,466.77	**16,733.77**
Traded goods sold		
Safety scalp vein set	**596.29**	45.21
Others	**271.17**	171.66
	867.46	**216.87**

18 OTHER INCOME

	March 31, 2012	**Year ended** March 31, 2011
Interest Income	**18.71**	16.57
Dividend Income	**2.30**	10.25
Other non-operating income	**-**	-
Provisions / Liabilities no longer required written back (net)	**18.53**	5.12
Miscellaneous Income	**22.41**	7.37
Total	**61.95**	**39.31**

19 COST OF RAW MATERIALS INCLUDING PACKING MATERIALS CONSUMED

	March 31, 2012	**Year ended** March 31, 2011
Raw Material Consumed		
Inventory at the beginning of the year	**1,641.68**	1,171.97
Add: Purchases during the year	**5,526.52**	5,364.32
Less: Inventory at the end of the year	**1,818.33**	1,641.68
Cost of raw material consumed (A)	**5,349.87**	4,894.61
Packing Material Consumed		
Inventory at the beginning of the year	**219.21**	161.93
Add: Purchases during the year	**1,800.78**	1,331.65
Less: Inventory at the end of the year	**384.72**	219.21
Cost of packing material consumed (B)	**1,635.27**	1,274.37
Total (A+B)	**6,985.14**	**6,168.98**

The above consumption figures are disclosed on the basis of derived figures and are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.

Additional disclosures in respect of raw material and packing material consumed

Raw Material Consumed

Plastic granules	**2,389.91**	2,136.10
PVC Sheet	**338.25**	163.33
SS Tube	**337.78**	275.65
Other miscellaneous items	**2,283.93**	2,319.53
	5,349.87	**4,894.61**

Packing Material Consumed		
Boxes	**436.31**	371.93
Medical paper	**328.93**	362.59
Others	**870.03**	539.85
	1,635.27	**1,274.37**

21 EMPLOYEE BENEFITS EXPENSES

	March 31, 2012	**Year ended** March 31, 2011
Salaries, wages and bonus	**3,237.52**	2,553.53
Gratuity Expenses	**14.19**	24.79
Contributions to Provident Fund and others	**146.02**	133.58
Staff Welfare Expenses	**40.38**	34.83
Total	**3,438.11**	**2,746.73**

22 RESEARCH AND DEVELOPMENT EXPENSES

	March 31, 2012	**Year ended** March 31, 2011
Revenue Expenditure charged to statement of profit and loss		
Material Consumed (Net)	**84.61**	-
Employee benefits expenses	**139.70**	70.38
Power and Fuel	**22.42**	-
Travelling & Conveyance	**9.55**	-
Telephone Charges	**2.07**	-
Total Revenue Expenses	**258.35**	**70.38**
Capital Expenditure	**29.03**	-
Total amount spent on Research and Development	**287.38**	**70.38**

23 OTHER EXPENSES

	March 31, 2012	**Year ended** March 31, 2011
Consumption of stores and spare parts	**174.23**	229.03
Power and Fuel	**807.10**	685.79
Job Work Charges	**1,609.18**	1,395.57
Other Manufacturing Expenses	**43.97**	45.12
Repairs to Building	**15.81**	11.00
Repairs to Machinery	**205.61**	163.24
Repairs to Others	**40.15**	30.92
Excise Duty on closing stock	**7.60**	5.63
Insurance (Net)	**40.68**	25.93
Rent	**32.88**	33.14
Rates, Taxes & Fee	**68.16**	29.32
Wealth tax	**1.04**	0.97
Provision for doubtful advances	**-**	2.03
Travelling & Conveyance	**245.92**	201.51
Legal & Professional Fees	**292.58**	334.22

Auditors' Remuneration	**10.68**	9.43
Directors' Sitting Fees	**8.00**	6.90
Donations	**32.93**	25.46
Loss on fixed assets sold/discarded (Net off of gain of ₹ 2.70 lacs , previous year ₹ 0.67 lacs)	**7.40**	19.30
Bank Charges	**88.49**	97.72
Loss on Foreign Exchange Fluctuation (net)	**967.80**	139.64
Telephone & Fax Charges	**37.51**	37.95
Printing & Stationary	**23.10**	19.97
Postage & Courier	**21.93**	28.03
Advertisement	**1.25**	3.65
Commission on sales	**338.54**	209.63
Freight & Forwarding (Net)	**277.89**	309.53
Business Promotion	**123.03**	89.68
Exhibition Expenses	**106.17**	79.44
Rebate, Discounts & Claims	**41.66**	24.21
Bad debts written off	**17.20**	-
Provision for Doubtful debts	**-**	13.47
Other Miscellaneous Expenses	**66.76**	62.99
Total	**5,755.25**	**4,370.42**

24 DEPRECIATION AND AMORTISATION EXPENSES

	March 31, 2012	**Year ended** March 31, 2011
Depreciation of tangible assets	**1,049.76**	878.73
Amortisation of intangible assets	**127.83**	63.59
Gross Total	**1,177.59**	942.32
Less: Amortisation of Government Grants	**3.58**	-
Net Total	**1,174.01**	**942.32**

25 FINANCE COST

	March 31, 2012	**Year ended March 31, 2012**
Interest expense	**482.68**	445.91
Other borrowing costs	**5.64**	4.88
Exchange difference to the extent considered as an adjustment to borrowing costs	**207.15**	(29.57)
Total	**695.47**	**421.22**

26 CONTINGENT LIABILITIES AND COMMITMENTS

a Contingent liabilities not provided for:

₹ in Lacs

Particulars	**Year ended**	
	31-Mar-12	31-Mar-11
Show Cause notices from custom department regarding Advance Licences	-	121.48
Show Cause notices from excise department	28.52	-
Compensation for enhanced cost of Land contested in Punjab & Haryana High	9.34	9.34

Court (Amount paid ₹ 2.33 lacs, Previous year ₹ 2.33 lacs)		
Liabilities against legal suits filed	7.21	4.15
Income tax matters under appeal	7.10	7.10

b Obligations and commitments outstanding:

₹ in Lacs

Particulars	Year ended	
	31-Mar-12	31-Mar-11
Unexpired letters of credit ₹ 381.90 lacs (Previous year ₹ 158.12 lacs) and Guarantees issued by bankers ₹ 184.88 lacs (Previous year ₹ 110.51 lacs), (Net of margins)	566.78	268.63
Bills discounted but not matured	1,309.13	1,008.12
Custom duty against import under Advance Licence Scheme	118.51	60.74
Custom duty against import under EPCG Scheme	76.82	38.18
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	729.65	358.38

27 Foreign currency forward contracts remaining unadjusted & outstanding

Category	Purpose	Currency / Pair of currency	31-Mar-12		31-Mar-11	
			₹ in Lacs		₹ in Lacs	
			Amount in foreign currency	Amount in Rs/ Lacs	Amount in foreign currency	Amount in Rs/Lacs
Sell	Hedging	USD INR	102.30	4,982.97	81.00	3,835.16
		EURO INR	-	-	2.50	163.83
		EURO USD	-	-	19.27	1,149.33
Buy	Hedging	JPY INR	70.99	44.37		
		USD INR			12.50	565.55

28 Particulars of unhedged foreign currency exposure

Particulars	Currency	31-Mar-12		31-Mar-11	
		₹ in Lacs		₹ in Lacs	
		Amount in foreign currency	Amount in Rs/Lacs	Amount in foreign currency	Amount in Rs/Lacs
Trade receivable	EURO	3.99	271.02	4.24	217.13
Other receivable	USD	0.47	24.01	0.18	7.99
Import Payable	USD	11.09	564.20	4.36	186.04
	EURO	1.17	74.14	1.96	124.51
	JPY	100.01	61.78	3.86	2.08
Patents	USD	0.55	27.97	0.34	14.97
	EURO	0.36	24.16		
	SGD	0.08	3.22		
	GBP	0.03	2.29		
	AUD	0.01	0.77		
Legal and Professional	USD	0.24	12.43		

Charges	EURO	0.32	21.96	0.46	29.09
Commission Payable	USD	1.97	100.03	1.34	59.83
	EURO	0.02	1.12	0.04	2.75
Borrowings	USD	16.15	821.76	9.50	423.64
Lendings	USD	2.30	117.02	2.14	95.40

29 Inventories, loans & advances, trade receivables / payables and other current / non-current assets are reviewed annually and in the opinion of the Management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.
The response to letters sent by the Company requesting confirmation of balances has been insignificant. In the management's opinion, in the event of any disparity in the balances, any consequential adjustments required on reconciliation of the balances will not be material in relation to the financial statements of the Company and the same will be adjusted in the financial statements as and when the reconciliation is completed.

30 Related party disclosures

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

A <u>List of related parties and relationships</u>

Associate

Ultra For Medical Products (UMIC), Egypt

b <u>Key Management Personnel</u>

1 Mr. Himanshu Baid (Managing Director)
2 Mr. Rishi Baid (Executive Director)
3 Mr. J. K. Baid (Director- relative of Managing Director & Executive Director)
4 Mr. Vishal Baid (President- relative of Managing Director & Executive Director)

c <u>Enterprises over which key management personnel and their relatives exercise significant influence</u>

1 Vitromed Healthcare
2 Jai Polypan Pvt. Ltd.
3 Stilocraft
4 Polycure Martech Ltd.
5 Jaichand Lal Hulasi Devi Baid Charitable Trust

B <u>Transactions with related parties</u>

(₹ In lacs)

Description	Associate		Key Management personnel		Enterprises controlled by key management personnel and their relatives	
	Current Year	Previous year	Current Year	Previous Year	Current Year	Previous Year
Sales of Goods	**821.92**	**393.17**			**1,059.98**	**811.27**
Ultra for Medical Products Egypt	821.92	393.17				

Vitromed Healthcare					1,059.98	811.27
Purchases of Goods					**52.24**	**68.28**
Vitromed Healthcare					52.24	68.28
Job work					**1,521.54**	**1,318.12**
Vitromed Health Care					1,521.54	1,318.12
Rent received					**0.24**	**0.24**
Virtomed Healthcare					0.24	0.24
Rent paid					**1.01**	**1.01**
Jai Polypan Pvt. Ltd.					1.01	1.01
Director's Remuneration			**310.25**	**216.86**		
Mr. Himanshu Baid			155.87	108.97		
Mr. Rishi Baid			154.38	107.89		
Salary and perquisites			**21.50**	-		
Mr. Vishal Baid			21.50	-		
Sitting fees paid			**1.00**	**0.90**		
Mr. J. K. Baid			1.00	0.90		
Dividend / Share Governing Council due	**2.30**	**10.25**				
Ultra for Medical Devices	2.30	10.25				
Donation Paid					**0.50**	**2.00**
Jaichand Lal Hulasi Devi Baid Charitable Trust					0.50	2.00
Outstanding balances at the year end						
Dividend / Share Governing Council outstanding	**10.40**	**15.70**				
Ultra for Medical Devices	10.40	15.70				
Debtors	**207.41**	**110.71**			**135.63**	**125.64**
Ultra for Medical Products	207.41	110.71				
Vitromed Healthcare					135.63	125.64

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

Particulars	**Year ended March 31,2012**	Year ended March 31,2011
Number of shares considered as Basic weighted average shares outstanding during the year	**1,10,12,500**	1,10,12,500
Net profit after tax available for equity share holders (₹ In lacs)	**1,946.93**	2,167.15
Basic & Diluted Earnings per Share (in ₹)	**17.68**	19.68

32 Payment to Auditors

(₹ In lacs)

Particulars	Year ended 31-Mar-12	Year ended 31-Mar-11
Audit Fee	**6.99**	6.49
Tax audit Fee	**0.75**	0.75
Limited Review of Results	**1.05**	0.75
In other capacity		
(a) For Taxation matters	**0.15**	0.25
(b) For Certification work	**0.76**	0.33
Reimbursement of expenses	**0.98**	0.86
Total	**10.68**	9.43

33 Employee Benefit:

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

(₹ In lacs)

Particulars	For the Year ended March 31, 2012		For the Year ended March 31, 2011	
	Gratuity (Unfunded)	**Leave encashment / Compensated Absences (Unfunded)**	Gratuity (Unfunded)	Leave encashment /Compensated Absences (Unfunded)
Obligations at year beginning	**86.88**	**39.51**	73.57	38.93
Service Cost - Current	**17.83**	**11.61**	25.97	11.07
Interest Cost	**7.38**	**3.36**	5.89	3.11
Actuarial (gain) loss	**(10.88)**	**11.73**	(7.07)	1.31
Benefit Paid	**(10.30)**	**(22.84)**	(11.48)	(14.91)
Obligations at year end	**90.91**	**43.37**	86.88	39.51
Liability recognised in the Balance Sheet	**90.91**	**43.37**	86.88	39.51

The principal assumptions used in determining post employment benefit obligations are as below:

Particulars	Gratuity 2012 (in %)	Leave Encashment 2012 (in %)	Gratuity 2011 (in %)	Leave Encashment 2011 (in %)
Discount Rate	8.5	8.5	8	8
Future salary increases	6	6	5.5	5.5

34 Financial and Derivate Instruments:

The Mark to Market losses or gains on unexpired Derivative Contracts entered into to hedge the risk of changes in Foreign Currency Exchange Rate on Future Export Sales against the existing long term contracts, are accounted for on maturity of the contracts so as to safe guard against considerable volatility in foreign exchange rates during the intervening period. The company has not adopted AS - 30 "Financial Instruments, Recognition and Measurement" nor accounted for mark to market losses for unexpired Derivative Contracts out-standing as at 31st March 2012. The Mark to Market notional losses as on March 31, 2012 are of ₹ 964.66 lacs (previous year ₹ 1176.57 lacs) and with the considerable volatility in foreign exchange rates, the impact may increase or decrease .The company has been accounting for the losses or gains on maturity of the contracts.

35 In view of option allowed by the Ministry of Corporate Affairs vide its notification dated 29th December 2011 on AS 11, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded have been accumulated in a "Foreign Currency Monetary Items Translation Difference Account" to be amortised over the balance period of such long term assets or liabilities. Pursuant to such adoption, a sum of ₹ 49.55 lacs is remained to be amortised over the balance period of such assets or liabilities. Had the option not being exercised, the profits of the company would have been lower by ₹ 49.55 lacs.

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

37 Leases :

Operating leases

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

ii) Lease rental expenses in respect of operating leases: ₹ 32.88 lacs (previous year ₹ 33.14 lacs)

38 Employee Stock Option Scheme

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

i Vesting Period

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

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

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

No option has yet been exercised as the vesting period has not commenced.

39 Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification.

All Notes number 1 to 39 forms an integral part of the Financial Statements.

As per our report of even date annexed

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

M.S. Agarwal
Partner
Membership No.86580

For and on behalf of the Board

Himanshu Baid
Managing Director
DIN:00014008

Rishi Baid
Executive Director
DIN:00048585

Place: New Delhi	J. K. Oswal	Sonia Singh
Date: 28.05.2012	VP (Finance)	Company Secretary

PARTICULARS REGARDING SUBSIDIARY COMPANIES, IN ACCORDANCE WITH GENERAL CIRCULAR NO. 02/2011 DATED 8TH FEBRUARY, 2011 FROM THE MINISTRY OF CORPORATE AFFAIRS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lac)

Particulars	US Safety Syringes Co. LLC, USA	Poly Medicure (Laiyang) Co. Ltd., China
Paid - up Share Capital	203.52	640.26
Other Reserves	(159.16)	(183.05)
Total Assets	45.16	691.84
Total Liabilities	45.16	691.84
Investments*	-	-
Turnover	-	812.07
Profit before tax	(25.44)	20.86
Provision for tax	-	0.26
Profit after tax	(25.44)	20.60
Proposed Dividend	-	-

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

For and on behalf of the Board

Himanshu Baid	Rishi Baid
Managing Director	Executive Director
DIN:00014008	DIN:00048585

Place: NEW DELHI	J. K. Oswal	Sonia Singh
Date: 28.05.2012	V P (Finance)	Company Secretary

NOTES

POLYMED
Medical Devices

Registered Office:

Poly Medicure Limited

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

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

Works:

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

Unit-II: Plot No. 115-116, Sector-59,
HSIDC Industrial Area, Ballabgarh,
Faridabad - 121004 (Haryana) INDIA
Phone : +91-129-2307000, 4287000
Fax : +91-129-2307007, 2309401
Email : info@polymedicure.com
plant@polymedicure.com

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

www.polymedicure.com