

POLYMED

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THIRD ANNUAL REPORT 1997-98

POLY MEDICURE LIMITED

POLY MEDICURE LIMITED



BOARD OF DIRECTORS

Mr. R. M. Bhandari
Dr. S. R. Mohnot
Mr. J. P. Doonga
Mr. B. R. Mehta
Mr. J. K. Baid
Mr. Y. S. Chaudhary
Mr. Prakash C. Surana
Mr. Himanshu Baid
Mr. Rishi Baid
Mr. Raymond Peter Wilhelm

ASST. COMPANY SECRETARY

Mr. Gurdeep Singh Bakshi

AUDITORS

M/s Chaturvedi & Co., Chartered Accountants
306, Kusal Bazar,
32-33, Nehru Place,
New Delhi-110019.

BANKERS

The Bank of Rajasthan Limited

REGISTERED OFFICE

303-304, G. K. House,
187-A, Sant Nagar,
East of Kailash,
New Delhi-110065.

WORKS

Plot No. 105, Sector – 59,
HSIDC Indl. Estate,
Ballabgarh,
Faridabad.

POLY MEDICURE LIMITED

POLYMED**NOTICE**

Notice is hereby given that the Third Annual General Meeting of Poly Medicure Limited will be held on Monday, the 21st day of September, 1998 at 11.00 A.M. at Chirag Delhi Community Hall, New Delhi - 110 017 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 alongwith the reports of Auditors and Directors thereon.
2. To appoint Director in place of Shri Y. S. Chaudhary, who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution.

"RESOLVED THAT M/s. Chaturvedi & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of next Annual General Meeting, at the remuneration to be decided by the Board of Directors."

SPECIAL BUSINESS

4. To consider and if thought fit , to pass with or without modification the following resolution as an Ordinary resolution :

"RESOLVED THAT Mr. Prakash C. Surana, Director whose term of office expires at this meeting pursuant to Section 260 of the Companies Act, 1956, in respect of whom a notice has been received from a member under Section 257 of the Companies Act, 1956 proposing his candidature be & is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

5. To consider and if thought fit , to pass with or without modification the following resolution as an Ordinary resolution :

"RESOLVED THAT Dr. S. R. Monhot, Director whose term of office expires at this meeting pursuant to Section 260 of the Companies Act, 1956, in respect of whom a notice has been received from a member under Section 257 of the Companies Act, 1956 proposing his candidature be & is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

By order of the Board

Place : New Delhi
Date : 29th July, 1998

GURDEEP S. BAKSHI
Asst. Company Secretary

POLY MEDICURE LIMITED

POLYMED**NOTES :**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement time of the meeting.
2. The Register of members and Share Transfer books of the Company will remain closed from 16th September, 1998 to 21st September, 1998 (both days inclusive).
3. Members are requested to bring the Annual Report with them and produce the enclosed Attendance Slip duly signed in accordance with specimen signatures registered with the Company for admission to the Meeting Hall.
4. It will be appreciated if the queries, if any, on accounts and operations of the Company are sent to the Company ten days in advance of the meeting so that the answers may be made readily available.
5. Members are requested to notify immediately any change in their addresses, quoting their folio numbers.
6. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is appended hereto.

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**

(Pursuant to Section 173 of the Companies Act, 1956)

Item No. 4

Shri Prakash C. Surana was appointed as an Additional Director of the Company with effect from September 22, 1997 in terms of Article 78 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. He holds office upto the date of Third Annual General Meeting of the Company and being eligible offers himself for reappointment. The Company has received a notice alongwith a sum of Rs. 500/- as deposit from a member pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Shri Prakash C. Surana. The Board considers it desirable that the Company should continue to avail his services.

None of the Directors is concerned or interested in the resolution.

Item No. 5

Dr S. R. Monhot was appointed as an Additional Director of the Company with effect from September 22, 1997 in terms of Article 78 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. He holds office upto the date of Third Annual General Meeting of the Company and being eligible offers himself for reappointment. The Company has received a notice alongwith a sum of Rs. 500/- as deposit from a member pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Dr. S. R. Monhot. The Board considers it desirable that the Company should continue to avail his services.

None of the Directors is concerned or interested in the resolution.

By order of the Board

Place : New Delhi
Date : 29th July, 1998

GURDEEP S. BAKSHI
Asst. Company Secretary

THIRD ANNUAL REPORT

POLY MEDICURE LIMITED

POLYMED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Third Annual Report together with Audited Statement of Accounts for the financial year ended 31st March, 1998.

FINANCIAL RESULTS

| | |
|----------------------------------|--------|
| Gross Revenue | 526.52 |
| Total Expenditure | 363.98 |
| Interest & Finance Charges | 85.44 |
| Profit after Interest but before | 77.10 |
| Depreciation & Tax | |
| Depreciation | 72.03 |
| Net Profit before Taxation | 5.07 |
| Provision for Taxation | 0.56 |
| Net Profit | 4.51 |

OPERATIONS

The products of the Company have been well accepted in the market. During the year, the Company produced 51.06 lac nos. of Medical Disposables which constitute 42.60% of the installed capacity utilisation. The Company has exported its products of the value of Rs. 50.28 lacs. The Domestic sales (including third party exports) are of the value of Rs. 461.78 lacs which are considered satisfactory being the first full year of operation.

The Company has been assessed and registered as an ISO 9002 company by SGS Yarsley International Certification Services Limited, United Kingdom. This will further help the company in consolidating its position in the export market.

FUTURE OUTLOOK

In spite of tough competition in sales, both in domestic and export markets, the Management feels that the overall production and sales in 1998-99 are likely to be better than what was achieved in the previous year. By and large the future outlook of the Company is assuring. In case of blood bags, the company expects to make improvement in sales by making direct supplies to Govt. blood banks.

DIVIDEND

Your Company started commercial production only in the Month of April 1997. It being now in the initial stage of its operations. Hence your Directors feel that it would be better if the funds are ploughed back in the business and therefore do not recommend any dividend.

SHARE CAPITAL

There is no change in the Issued Share Capital of the Company during the year. As on 31st March 1997, the Allotment Money in arrears was Rs 89,05,700.00. During the year, the Company received a sum of Rs 25,000.00 leaving the Allotment money in arrears at Rs. 88,80,700.00 The Directors once more appeal to the shareholders to pay the arrears on or before 30.9.98. In that case, no interest will be charged on the arrears.

POLY MEDICURE LIMITED**DIRECTORS**

During the year, Shri J. P. Doonga was appointed as a Nominee Director of Risk Capital and Technology Finance Corporation Ltd. (RCTC) on the Board of Directors of the Company with effect from 27.12.97.

In accordance with the provisions of the Companies Act and the Articles of Association of the Company, Shri Raymond Peter Wilhelm and Shri Y. S. Chaudhary, Directors of the Company, retire by rotation. Shri Y. S. Chaudhary being eligible, offers himself for re-appointment.

Shri Prakash C. Surana and Dr S. R. Monhot, who were appointed as Additional Directors during the year, retire at the conclusion of the forthcoming Annual General Meeting. The Company has received notice from the shareholders for the appointment of Shri Prakash C. Surana and Dr. S. R. Monhot as Directors of the Company.

Your Directors recommend their appointment.

AUDITORS

M/s. Chaturvedi & Company, Chartered Accountants, New Delhi, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

NOTES ON ACCOUNTS

The observations of the auditors and Notes on Accounts are self explanatory.

PROJECTIONS V/S PERFORMANCE

The comparison of actual financial performance for the year 1997-98 with the projections indicated in the prospectus dated 5.2.96 pursuant to clause 43 of the Listing Agreement is as under :

| Particulars | Projected (Rs. in lacs) | Actual (Audited) Rs. in lacs |
|----------------------------|-------------------------|------------------------------|
| Total Income | 1530.00 | 526.52 |
| Net Profit | 181.00 | 4.51 |
| EPS (Rs.) | 3.35 | 0.10 |
| Book Value Per Share (Rs.) | 13.44 | 9.63 |

Actual revenues and net profits are lower than the projections due to depressed market conditions. Besides, due to legal restriction on private blood banks, the demand for blood bags declined sharply resulting in lower sales.

ADDITIONAL INFORMATION

The additional information required to be disclosed in terms of Notification No. 1029 dated 31st December, 1988, issued by the Department of Company Affairs, are as follows.

CONSERVATION OF ENERGY

The Company's operations involve low energy consumption and there are no major areas where energy conservation could be considered viable.

POLY MEDICURE LIMITED**POLYMED****TECHNOLOGY ABSORPTION**

There was no expenditure on technology absorption.

RESEARCH & DEVELOPMENT (R&D)

This being a very important operational activity and is done on continuous basis. The Company has separate R&D department which keeps on carrying research and development. The specific areas in which R&D was carried out was :-

- Design Varieties to fulfil the requirements of customers.
- Quality improvements.
- The expenditure incurred on R&D were Rs. 2.66 lacs.

FOREIGN EXCHANGE EARNINGS AND OUTGO**"Activities relating to exports" :**

- The Company started exports in the Middle East, African and Asian countries.
- The Company is having discussions with key importers in Africa for the purpose of export.
- The Company is exploring the possibilities for export in Europe.

Export Plans :

The Company used foreign exchange amounting to Rs.1.51 crores mainly for import of raw materials and earned foreign exchange of Rs. 50.25 lacs during the year under review.

During the year, the company exported its finished products through third parties for an amount of Rs.202.82 lacs.

PARTICULARS OF EMPLOYEES

During the year under review, the Company has no employee covered under Section 217 (2A) of the Companies Act, 1956.

ACKNOWLEDGEMENT

Your Directors will like to place on record their appreciation of the good work done by all the officers and the employees of the Company.

The Directors also like to convey their grateful thanks to the Bankers of the Company, Financial Institutions and other organisations for their timely support to the Company.

FOR & ON BEHALF OF THE BOARD

Place : New Delh
Date : 29th June, 1998

R.M.BHANDARI
Chairman

HIMANSHU BAID
Managing Director

POLY MEDICURE LIMITED

POLYMED**AUDITOR'S REPORT**

To,
The Members of
POLY MEDICURE LIMITED

We have audited the attached Balance Sheet of Poly Medicure Limited as at 31st March, 1998 and also the Profit and Loss Account of the Company for the period ended on that date, annexed thereto and report that :-

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988, we annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 the books;
 - (c) The Balance Sheet and Profit & Loss Account are in agreement with the books of accounts;
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the said information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
 - (ii) In the case of the Profit & Loss Account, of the profit for the period ended on that date.

for CHATURVEDI & CO.
Chartered Accountants

Place : New Delhi
Dated : 29th June, 1998

D. R. BAID
Partner