



Eighth
Annual Report

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POLY MEDICURE LIMITED

BOARD OF DIRECTORS

R. M. Bhandari
Chairman

Himanshu Baid
Managing Director

Dr. S. R. Mohnot
J. K. Baid
Y. S. Choudhary
P.C. Surana
Directors

Rishi Baid
Executive Director

AUDITORS
Chaturvedi & Co.
Chartered Accountants, New Delhi

BANKERS
State Bank of India
SIB (Commercial) Branch
Neelam Bata Road, Faridabad

SENIOR EXECUTIVES

V. K. Khera
N.B. Mathur

G. R. Bajaj
J. K. Oswal

COMPANY SECRETARY

Sanjay Jain

PHYSICAL & ELECTRONIC SEGMENT MAS SERVICES PVT. LTD.

AB-4, Safdarjung Enclave, New Delhi - 110 029

REGISTERED OFFICE

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

WORKS

Unit I - Plot No. 105, Sector 59, HSIDC Ind. Estate, Ballabhgarh, Faridabad, Haryana
Unit II - Plot No. 113, Sector 59, HUDA Ind. Estate, Ballabhgarh, Faridabad, Haryana

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NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the Members of Poly Medicure Limited will be held on Wednesday, 17th day of September, 2003 at 11.00 A.M. at Govt. Servants Co-operative House Building Society Ltd., Kalyan Kendra, 9, Paschimi Marg, Vasant Vihar, New Delhi - 110057 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet of the Company as at 31.03.2003, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri J.K.Baid, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr.S.R.Mohnot, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration. M/s. Chaturvedi & Co. Chartered Accountants, the retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and/or charging by the Board of Directors of the Company of immovable properties of the Company situated at Plot Nos. 115 and 104, Sector 59, HSIDC Industrial Estate, Ballabhgarh, Faridabad, Haryana, present and future in favour of State Bank of India (Hereinafter referred to as "SBI") and Industrial Development Bank of India (IDBI) (Hereinafter collectively called 'the lenders') by depositing with SBI acting for itself and as agent of IDBI, all documents of title, evidences, deeds and writings (hereinafter called "the said title deeds") in order to create a security on the Company's aforesaid immovable properties together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth excluding all plant and machinery and other fixed assets which are already mortgaged and/or charged in favour of IDBI (hereinafter referred to as "the said immovable properties") to secure the due repayment, discharge and redemption by the Company to :

- (A) On First Charge basis to SBI of its Rupee Term Loan of Rs. 750 Lac with an option to convert into FCNRB Term Loan US \$ 1562500

- (B) On Second Charge basis to IDBI for
- (i) Its Rupee Term Loans of Rs. 210 Lac, Rs. 180 Lac and Rs. 325 Lac
 - (ii) Foreign Currency Loan of US \$ 602219 equivalent to about Rs. 190 Lac

Together with interest, additional interest, further interest, liquidated damages, compound interest, costs, charges, expenses and other monies and/or payable under their respective Loan Agreements/ Letters of Sanction, Memorandum of Terms and Conditions, amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with SBI, documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

6. To consider and if thought fit, to pass with or without modification the following as an Ordinary Resolution.

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company situated at Plot No. 105, Sector 59, HSIDC Industrial Estate, Ballabhgarh, Faridabad, Haryana and Plot No. 113, Sector-59, HUDA Industrial Estate, Ballabhgarh, Faridabad, Haryana, present and future and the whole of the undertaking of the company certain events to or in favour of

- (a) Industrial Development Bank of India (IDBI)
- (b) State Bank of India (SBI)

(Hereinafter collectively referred to as "the lenders") by depositing with one of the lenders acting for itself and as agent of the other lender, all documents of title, evidences, deeds and writings (hereinafter called "the said title deeds") in order to create a security on the Company's immovable properties together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth (hereinafter referred to as "the said immovable properties") to secure the due repayment, discharge and redemption by the Company to

- (A) On First Charge basis to IDBI
 - (i) Rupee Term Loan of Rs. 210 Lac, Rs. 180 Lac and Rs. 325 Lac
 - (ii) Foreign Currency Loan of US \$ 602219 equivalent to about Rs. 190 Lac.
- (B) On Second Charge basis to SBI of its
 - (i) Working Capital Facilities of Rs. 900 Lac and
 - (ii) Rupee Term Loan of Rs. 750 Lac with an option to convert into FCNRB Term Loan of US \$ 1562500

Together with interest, additional interest, further interest, liquidated damages, compound interest, costs, charges, expenses and other monies and/or payable under their respective Loan Agreements/ Letters of Sanction, Memorandum of Terms and Conditions, amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with IDBI, documents for creating the aforesaid mortgage and/or charge and to do all

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such acts and things as may be necessary for giving effect to the above resolution."

7. To consider and if thought fit ,to pass with or without modification the following as a Special Resolution.

"RESOLVED THAT, subject to the provisions of Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956, Shri Himanshu Baid, Managing Director be paid in addition to salary and other perquisites as already sanctioned by the Board and the Shareholders, a commission @ 2% (two per cent) of the net profits of the Company as computed in accordance with the provisions of Section 198 (1) of the Companies Act, 1956 for the year 2002-03 and the balance period of his term, which expires in July, 2005."

8. To consider and if thought fit,to pass with or without modification the following as a Special Resolution.

"RESOLVED THAT, subject to the provisions of Section 198, 309, 310 and other applicable provisions of the Companies Act, 1956, Shri. Rishi Baid, Executive Director be paid in addition to salary and other perquisites as already sanctioned by the Board and the Shareholders, a commission @ 2% (two per cent) of the net profits of the Company as computed in accordance with the provisions of Section 198 (1) of the companies Act, 1956 for the year 2002-03 and the balance period of his term, which expires in July, 2005."

9. To consider and if thought fit, to pass with or without modification the following as a Special Resolution.

"RESOLVED THAT, subject to the provisions of the Companies Act, 1956, [including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter], the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject too such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which many be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Equity Shares from all or any of the following Stock Exchanges viz. The Calcutta Stock Exchange Association Ltd., at Kolkata, The Delhi Stock Exchange Association Ltd., at New Delhi and The Jaipur Stock Exchange Association Ltd., at Jaipur."

**By Order of the Board
for Poly Medicure Limited**

**Sanjay Jain
Company Secretary**

Place : New Delhi
Date : July 31, 2003

NOTES

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself on a poll, and a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.**
2. **The Register of Members and Share Transfer Books will remain closed from Monday, the 15th Day of September, 2003 to Tuesday, the 16th Day of September, 2003 (both days inclusive)**
3. **The Members are requested to bring their copy of the Annual Report and produce the enclosed Attendance Slip duly signed in accordance with specimen signatures with the Company for admission to the Meeting Hall.**
4. **It will be appreciated if the queries, if any, on the accounts and operations of the Company are sent to the Company ten days in advance of the meeting.**
5. **Members are requested to notify immediately any change in their addresses, quoting their folio numbers to the Company.**
6. **Explanatory Statement in terms of Section 173(2) of the Companies Act, 1956, is annexed herewith.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item Nos. 5 and 6**

The Company is in the process of implementing its second expansion programme and to part finance the same the Company has approached State Bank of India (SBI) for sanctioning Rupee Term Loan aggregating Rs. 750 Lac with an option to convert into FCNRR Term Loan of US \$ 1562500. The loan to be sanctioned by SBI is to be secured by Deed of Hypothecation for all movable plant and machinery with respect to the expansion project and by way of mortgage of the immovable properties of the Company situated at plot Nos. 115 & 104, Sector 59, HSIDC Industrial Estate, Ballabhgarh, Faridabad, Haryana.

The State Bank of India has sanctioned working capital loans to the Company to the extent of Rs 900 Lac which are to be additionally secured by way of second charge on the immovable properties of the expansion project on Plots No. 105, Sector No. 59, HSIDC Industrial Estate, Ballabhgarh, Faridabad, Haryana and Plot No. 113, Sector No. 59, HUDA Industrial Estate, Ballabhgarh, Faridabad, Haryana.

The Company has already availed of Rupee Term Loan of RS. 210 Lac, 180 Lac, and Rs. 325 Lac and Loan and Rupee Term Loan of US \$ 602219 equivalent approximately Rs. 190 Lac for which the security by way of first charge has been provided by the Company on the immovable properties of the Company situated at Plot Nos. 105, Sector No. 59, HSIDC Industrial Estate, Ballabhgarh, Faridabad, Haryana and Plot No. 113, Sector No. 59, HUDA Industrial Estate, Ballabhgarh, Faridabad, Haryana. The said Term Loans are now to be additionally secured by way second charge on the immovable properties of the

Company created/to be created on Plots No. 115 & 104 , Sector 59, HSIDC Industrial Estate, Ballabhgarh, Faridabad, Haryana in consideration of IDBI ceding second charge in favour of SBI in respect of the immovable properties situated at Plot No. 105, Sector No. 59, HSIDC Industrial Estate, Ballabhgarh, Faridabad, Haryana and Plot No. 113, Sector 59, HUDA Industrial Estate, Ballabhgarh, Faridabad, Haryana, already charged by way of first charge in favour of IDBI.

According to Section 293(1)(a) of the Companies Act, 1956, approval of the Shareholders is necessary to create any mortgage/charge on the immovable properties of the Company as it amounts to disposing of the same.

The Board of Directors request the Shareholders to pass the resolutions at Item Nos. 5 and 6 of the Notice to enable the Company to avail of the term loans from the SBI for part financing of the project.

Memorandum of Interest: None of the Directors is interested or concerned in the above matter except to the extent of their shareholding, if any, in the Company.

Item No. 7 & 8

The Board of Directors in its meeting held on 30th June, 2003, approved the payment of commission @ 2% (two per cent) of the net profits of the Company to Shri Himanshu Baid, Managing Director and Shri Rishi Baid, Executive Director. While approving the commission the Board took note of the fact that the Company had improved upon the performance of the previous year despite keen competition in the international and domestic market. The remuneration paid/payable to the Managing Director and Executive Director is well within the statutory limit of 5% of the net profits of the Company. The Shareholders are requested to approve the resolutions at Items Nos. 7 & 8.

Memorandum of Interest: Shri Himanshu Baid, Shri Rishi Baid and Shri J.K. Baid are deemed to be interested in the resolutions at item Nos. 7 & 8.

Item No. 9

At present the Company's Shares are listed on the following Stock Exchanges

The Delhi Stock Exchange Association Ltd., at New Delhi, The Stock Exchange Mumbai, at Mumbai, The Calcutta Stock Exchange Association Ltd., at Kolkata, and The Jaipur Stock Exchange Association Ltd., at Jaipur. With wide and extensive network of centres at the BSE the investors have access to online dealings in the Company's Shares across the country. Moreover, the Company's Shares are specified by SEBI for settlement in demat form by all investors.

Trading volumes of Company's shares at The Calcutta Stock Exchange Association Ltd., at Kolkata, The Delhi Stock Exchange Association Ltd., at New Delhi and The Jaipur Stock Exchange Association Ltd., at Jaipur are negligible. Hence, the Board of Directors, at its meeting held on 31st July, has decided to apply for the voluntary delisting of the Company's Equity Shares from the said Stock Exchanges.

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Further, your Directors feel that the proposed voluntary delisting of the Company's Equity Shares from the said Stock Exchanges will not adversely affect any investors including the Members located in the regions where the said Stock Exchanges are situated. Pursuant to the SEBI (Delisting of Securities) Guidelines, 2003, it is now proposed to seek the Members' approval by way of a Special Resolution for voluntary delisting of the Company's Equity Shares from the said three Stock Exchanges as set out in the resolution at Item No. 9. In terms of the said guidelines, as the Company's Equity Shares shall continue to remain listed on The Stock Exchange, Mumbai, no exit option is required to be offered to the Shareholders.

The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the Members.

Memorandum of Interest: None of the Directors of the Company is concerned or interested in the resolution at Item No. 9.

By Order of the Board
for **Poly Medicure Limited**

Sanjay Jain
Company Secretary

Place : New Delhi
Date : July 31, 2003

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the **Eighth Annual Report** and Audited Accounts for the year ended on 31st March, 2003.

FINANCIAL RESULTS:

(Rs. in Lac)

Particulars	F.Y. 2002-03	F. Y. 2001-02
Sales and Other Income	4226.75	3068.26
Less : Total Expenditure	3391.17	2425.50
Operating Profit	835.58	642.76
Less : Interest and Finance Charges	108.16	120.90
Less : Depreciation and other non cash items	197.34	155.45
Profit before Tax	530.08	366.41
Less : Provision for Current Tax	135.75	19.00
Less : Provision for Deferred Tax	2.79	62.81
Profit after Tax	391.54	284.60
Balance brought forward from Previous Year	405.51	210.06
Less : Accumulated Deferred Tax Liability	-	-
Balance available for Appropriation	797.04	405.51
Appropriations :		
Transfer to General Reserve	700.00	-
Surplus carried forward	97.04	405.51

OPERATIONS:

You will be happy to know that your Company has achieved an annual growth of 38% in turnover – from Rs. 3068.26 Lac to Rs. 4226.75 Lac. The pre-tax profit has increased from Rs. 366.41 Lac to Rs. 530.08 Lac, representing a 44% increase. After making a provision for current tax of Rs. 135.75 Lac (Previous Year Rs. 19.00 Lac), the profit after tax has gone up from Rs. 284.60 Lac to Rs. 391.54 Lac. The export have increased from Rs. 1650.95 Lac to Rs. 2868.16 Lac registering an increase of 74%. These results are a function of an all round corporate management, technology upgradation and improvement in volume.