

POLYMED

Medical Devices



Touching Life .
With Care.

innovation
safety
quality

POLY MEDICURE LIMITED

ANNUAL REPORT 2010 - 11

we Care as we Cure...TM



PRODUCT RANGE

- ★ *Infusion Therapy*
- ★ *Gastroenterology*
- ★ *Anaesthesia*
- ★ *Urology*

- ★ *Blood Management & Blood Collection Systems*
- ★ *Surgery and Wound Drainage*
- ★ *Central Venous Access catheters*
- ★ *Dialysis*

Board of Directors

D. R. Mehta
Chairman

Dr. S. R. Mohnot
Director

J. K. Baid
Director

Y. S. Choudhary
Director

P. C. Surana
Director

Himanshu Baid
Managing Director

Rishi Baid
Executive Director

Company Secretary

Sonia Singh

Key Executives

V.K. Khera, V P (Operations)

J.K. Oswal, A V P (Finance)

Hemant Bhalla, Sr. G M (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.

Board Committees**Audit Committee**

Dr. S. R. Mohnot, Chairman

Y. S. Choudhary, Member

P. C. Surana, Member

Investors' Grievance Committee

Dr. S. R. Mohnot, Chairman

P. C. Surana, Member

Himanshu Baid, Member

Remuneration Committee

D. R. Mehta, Chairman

Dr. S. R. Mohnot, Member

Y. S. Choudhary, Member

P. C. Surana, Member

Executive Committee

D. R. Mehta, Chairman

Dr. S. R. Mohnot, Member

P. C. Surana, Member

Himanshu Baid, Member

Rishi Baid, Member

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

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LETTER TO THE SHAREHOLDERS

Dear Fellow Shareholders,

The Financial Year 2010-11 was significant for Poly Medicare Limited both in terms of operational and financial results. The Company recorded its highest net sales of ` 170 Crore during the period under review. During the same period, the net profit after tax, expanded handsomely to ` 21.69 Crore from ` 16.43 Crore in the Financial Year 2009-10, registering a growth of 32%. Robust business strategies and sound management practices, adapted to the changing environment, and the contribution of our employees, have conjointly resulted in this performance. In the context of the global economic meltdown, the progress is all the more noteworthy.

Another special feature has been the focus on strategy for production efficiency, cost reduction and quality. We have continuously introduced new products and upgraded many of our existing products. In house research has resulted in the development of some innovative products which are envied even of the much bigger companies operating all over the world. Going forward, we intend to build even larger portfolio of products in a way that gives customers multiple reasons to continue their engagement with the Company.

The Board of the Company and I personally are delighted with the performance and new initiatives. I wish to congratulate your Managing Director, Shri Himanshu Baid, the Executive Director, Shri Rishi Baid and their team for such outstanding performance.

We feel confident, the coming years will be even more exciting. Undoubtedly, the growth in production, improvement in quality, research and development activities etc are bound to be even more impressive. There will be challenges but the indomitable spirit of the company its management and employees is more than a match to them.

On the other hand, to be realistic, some problems also need to be noted. Interest rates are moving up quite rapidly as the Reserve Bank of India attempts to combat serious inflationary pressure. Commodity prices too, are firming up throughout the world. The competition too is growing. The Financial Year 2012 thus may be a difficult year, and healthcare companies may get caught in a pincer of slackening demand and higher input costs. However, the management of Poly Medicare will get over these with operational excellence and determination.

Once again I would commend Managing Director, Executive Director and other members of the management team and employees at all levels for this impressive performance and wish that the current Financial Year 2011-12 turns out to be much better for the greater satisfaction of the shareholders or indeed all the stakeholders.

D. R. Mehta
Chairman

New Delhi
30th July, 2011

NOTICE

Notice is hereby given that the 16th Annual General Meeting (AGM) of the members of **"Poly Medicure Limited"** will be held on Thursday, the 8th September 2011 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 2011, the Profit and Loss Account for the financial 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 31st March 2011.
3. To appoint a Director in place of Shri Jugal Kishore Baid who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri D.R. Mehta, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s Doogar & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

6. **To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profits) Rules, 2003, the consent of the Company be and is hereby accorded to appoint Shri Vishal Baid as President (Corporate Business), to hold an office or place of profit and continue to hold any office or place of office in the Company, for a period of five years commencing from 1st June 2011, on the following terms and conditions:-

Basic Salary: ` 1,25,000/- p.m. (Rupees One Lacs Twenty Five Thousand only p.m.)

Perquisite and Allowance

- House Rent Allowance: ` 75,000/- p.m. (Rupees Seventy Five Thousand only p.m.)
- Employer's contribution to Provident Fund: ` 15,000/- p.m. (Rs. Fifteen Thousand only p.m.)
- Encashment of earned Leaves: ` 5,208/- p.m. (Rupees Five Thousand Two Hundred Eight only p.m.)
- Gratuity: ` 5,208/- p.m. (Rupees Five Thousand Two Hundred Eight only p.m.)

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered to sanction at their discretion increment or/and to withhold the annual increment as it may consider in the best interest of the Company from time to time.

FURTHER RESOLVED THAT the total remuneration paid / payable to the appointee shall not exceed a sum of ` 2,50,000/- p.m. (Rupees Two Lac and Fifty Thousand p.m.)

RESOLVED FURTHER THAT Shri Vishal Baid shall not hold any employment in any other company / entity while in the whole time employment of this company.

FURTHER RESOLVED THAT for the purpose of giving effect to the above resolution, the Board of Directors be and is hereby authorized to do all such act(s), deed(s), thing(s) as may be necessary and/or expedient and to settle any questions, difficulties, or doubts that may arise in this regard at any stage."

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956 (including any modification or re-enactment thereof) for the time being in force and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approval if necessary, the company does hereby approve the re-appointment of Shri Himanshu Baid

as Managing Director for a further period of 3 (three) years with effect from 01st August 2011 to 31st July 2014 and the payment of the remuneration and perquisite(s) to him on the following terms & conditions –

a) Salary

The basic salary of ₹ 4,50,000 per month with annual increment of ₹ 25,000 of the last salary drawn before such increment.

b) Commission

Payment of commission of a sum not exceeding 3% of net profit of the Company calculated in the manner specified in Section 198 of the Companies Act, 1956.

c) Perquisites

i) Housing

- 1) Rent-free furnished accommodation or house rent allowance at the rate of 60% of the salary.
- 2) Expenses pertaining to electricity, gas, water & security services will be borne / reimbursed by the Company.

ii) Medical Expenses

Reimbursement of actual medical expenses subject to maximum of two months basic salary per year incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for himself and family.

iii) Leave/Holiday Travel Expenses

Reimbursement of Leave/Holiday Travel expenses (like fare, lodging, boarding, conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that total reimbursement shall not exceed one month's basic salary per annum.

iv) Club Fees

Reimbursement of membership fee for maximum of two clubs in India including admission fee.

v) Personal Accident Insurance

Personal Accident Insurance Policy of such amount, the premium of which shall not exceed ₹ 36,000/- p. a.

vi) Contribution to Provident Fund

Company's contribution to Provident Fund as per rules of the Company.

vii) Gratuity

As per rules of the Company.

viii) Leave

Leave with full pay or encashment thereof, as per the rules of the Company.

ix) Other Perquisites

Subject to overall ceiling on remuneration mentioned herein below, Shri Himanshu Baid may be given other allowances, benefits and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide.

x) Conveyance facilities

The Company shall provide suitable conveyance facilities to Shri Himanshu Baid.

xi) Communication facilities

The Company shall provide telephone, telefax and other communication facilities at the residence of Shri Himanshu Baid, bills of which shall be paid by the Company."

Explanation:

The perquisites shall be evaluated as per Income-tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated on actual cost basis.

II. Overall Remuneration

The aggregate of salary, commission and perquisites in any Financial Year shall not exceed the limits prescribed from time to time under Section 198, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

III. Minimum Remuneration

In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of Shri Himanshu Baid, he shall be paid above-mentioned salary, perquisites and other allowances, which shall

not be exceed the limits prescribed under Section II of the Part II of Schedule XIII to the Companies Act, 1956.

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions if any of the Companies Act, 1956 (including any modification or re-enactment thereof) for the time being in force and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approval, if necessary, the Company does hereby approve the re-appointment of Shri Rishi Baid as Executive Director for a further period of 3(three) years with effect from 01st August 2011 to 31st July 2014 and the payment of the remuneration and perquisites to him on the following terms & conditions –

a) Salary

The basic salary of ` 4,40,000 per month with annual increment of ` 25,000 of the last salary drawn before such increment.

b) Commission

Payment of commission of a sum not exceeding 3% of net profit of the Company calculated in the manner specified in Section 198 of the Companies Act, 1956.

c) Perquisites

i) Housing

1. Rent free furnished accommodation or house rent allowance at the rate of 60% of the salary.
2. Expenses pertaining to electricity will be borne/ reimbursed by the Company.

ii) Medical Expenses

Reimbursement of actual medical expenses subject to maximum of two months basic salary per year incurred in India and/or abroad and including hospitalisation, nursing home and surgical charges for himself and family.

iii) Leave/Holiday Travel Expenses

Reimbursement of Leave/Holiday Travel expenses (like fare, lodging, boarding conveyance and other expenses) incurred on one or more occasions in a year whether in India or abroad in respect of himself and family subject to the condition that total reimbursement shall not exceed one month's basic salary per annum.

iv) Club Fees

Reimbursement of membership fee for a maximum of two clubs in India including admission fee.

v) Personal Accident Insurance

Personal Accident Insurance Policy of such amount, the premium of which shall not exceed ` 36,000/- p. a.

vi) Contribution to Provident Fund

Company's contribution to Provident Fund, as per rules of the Company.

vii) Gratuity

As per rules of the Company.

viii) Leave

Leave with full pay or encashment thereof, as per the rules of the Company.

ix) Other Perquisites

Subject to overall ceiling on remuneration mentioned herein below, Shri Rishi Baid may be given other allowances, benefits and perquisites as the Board of Directors (which includes any committee thereof) may from time to time decide.

x) Conveyance facilities

The Company shall provide suitable conveyance facilities to Shri Rishi Baid.

xi) Communication facilities

The Company shall provide telephone, telefax and other communication facilities at the residence of Shri Rishi Baid."

Explanation:

The perquisites shall be evaluated as per Income tax Rules wherever applicable and in the absence of any such rules, perquisites shall be evaluated on actual cost basis.

II. Overall Remuneration

The aggregate of salary, commission and perquisites in any Financial Year shall not exceed the limits prescribed from time to time under Section 198, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

III. Minimum Remuneration

In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of Shri Rishi Baid, he shall be paid above-mentioned salary, perquisites and other allowances, which shall not be exceed the limits prescribed under Section II of the Part II of Schedule XIII to the Companies Act, 1956.

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

"RESOLVED THAT pursuant to the provisions of Section 310 and all other applicable provisions, if any, of the Companies Act, 1956, or any other law for the time being in force (including any statutory modifications or amendments or re-enactments thereof), subject to the approval of Central Government, the consent of the Company be and is hereby accorded to increase the sitting fee to ` 25,000/- (Rs. Twenty Five Thousand) only payable to Non-Executive Directors for every meeting of the Board of Directors or any committee thereof attended by him.

RESOLVED FURTHER THAT the Managing Director be and is hereby authorized to make an application to the Central Governments in terms of Rule 10B, of Section 310 of the Companies Act, 1956, for giving effect to the foregoing resolution."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions if any, of the Companies Act, 1956, ("the Act"), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Employee Stock Option

Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the ESOP Guidelines") [including any statutory modification(s) or re-enactment of the Act or the ESOP guidelines for the time being in force], the Listing Agreement entered into Stock Exchanges where the Securities of the Company are listed or other relevant authority, and subject to such approval(s), permission(s), sanction(s) and approval and consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board") which term shall be deemed to include any committee including ESOP Compensation Committee of the Board, to formulate the proposed ESOP Scheme 2011 and to create, offer, issue and allot in one or more tranches under the said proposed ESOP Scheme 2011 at any time to or to the benefit of such employee(s) and directors of the Company such number of Equity Shares including options and/or any other instrument or securities which could rise to the issue of Equity Shares (hereinafter collectively referred to as "Securities") of the Company, initially not exceeding 0.5% of the paid up Equity Share Capital of the Company i.e. 20,440 Options in aggregate, at such price and on such terms & conditions as may fixed or determined by the Board in accordance with the guidelines or other applicable provisions of any laws as may be fixed, determined by the Board in accordance with the Guidelines or other applicable provisions of any law as may be prevailing at that time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect any Scheme (hereinafter referred to as ESOP Scheme – 2011) on such terms and conditions as contained in the relevant Explanatory Statement to this Notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms & conditions of the Scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or review the ESOP Scheme 2011.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari-passu in all

