

innovation

safety

quality

Poly Medicure Limited

Annual Report 2013-14



Corporate Information

Board of Directors

Chairman

Devendra Raj Mehta

Non-Executive Independent Directors

Sohan Raj Mohnot

Prakash Chand Surana

Yeshwant Singh Choudhary

Shailendra Raj Mehta

Non-Executive Director

Jugal Kishore Baid

Mukulika Baid (w.e.f. 30th July 2014)

Managing Director

Himanshu Baid

Executive Director

Rishi Baid

Company Secretary

Sonia Singh

Key Executives

Vishal Baid, President (Sales & Marketing)

V. K. Khera, Sr. V P (Operations)

Deepak Gupta, Sr. V P (Opex & HR)

J. K. Oswal, V P (F) and CFO

Hemant Bhalla, A V P (Sales & Marketing)

Bankers

State Bank of India

Citibank N.A.

Auditors

M/s Doogar & Associates

New Delhi

Cost Auditors

M/s Jai Prakash & Co.

Faridabad

Registrar and Transfer Agents

MAS Services Limited,

T-34, 2nd Floor,

Okhla Industrial Area, Phase-II,

New Delhi-110020

Tel:+ 91(011)-26387281/82

Fax No. 011- 26387384

E-mail: mas_serv@yahoo.com

Website: www.masserve.com

Registered Office

First Floor, 12, Sant Nagar, East of Kailash,

New Delhi – 110065 (India)

Tel:+91 11 26481889,93, 99

Fax: 91 11 26481894

Email: investorcare@polymedicure.com

Website: www.polymedicre.com

CIN: L40300DL1995PLC066923

Note:

With effect from 1st August 2014, the Registered Office of the Company has been shifted to:

232B, 3rd Floor, Okhla Industrial Estate, Phase III

New Delhi – 110020 (India)

Tel No.: 91 11 - 26321838, 81, 89, 93

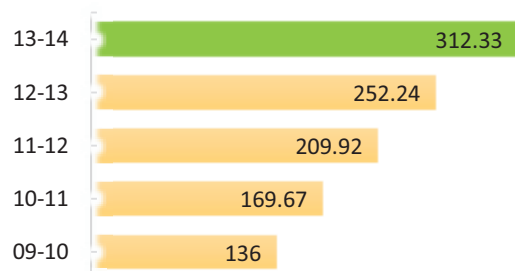
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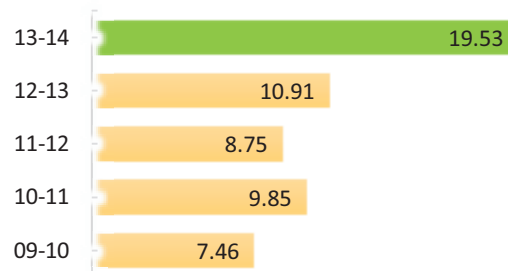
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Key Performance Indicators:

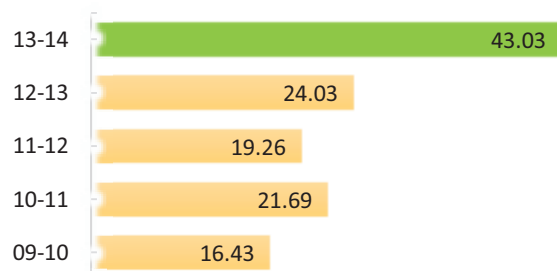
Revenue (₹ Crore)



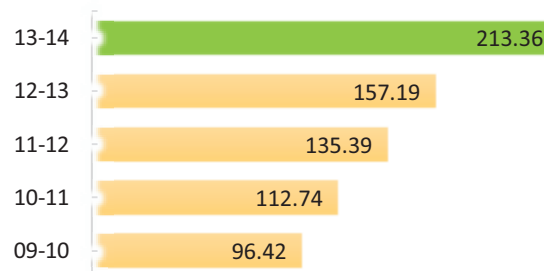
EPS (₹) Adjusted with bonus



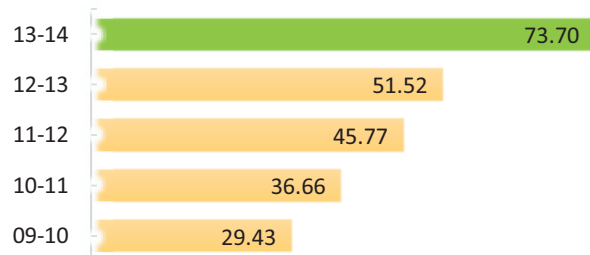
PAT (₹ Crore)



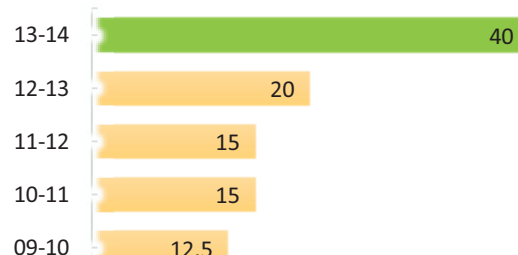
Gross Fixed Assets (₹ Crore)



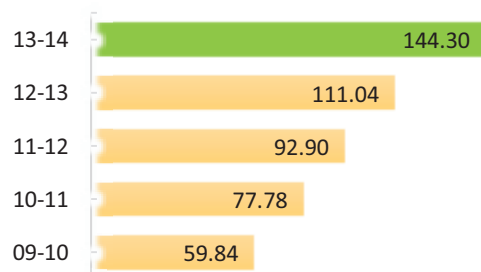
EBITDA (₹ Crore)



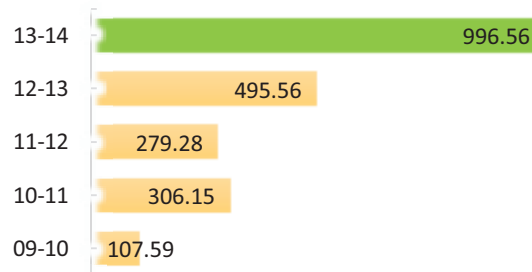
Dividend (in %), Adjusted with bonus



Net Worth (₹ Crore)



Market Capitalisation (₹ Crore)



Awards and Recognitions



Shri J. K. Baid with other recipients of certificate of appreciation by Akshaya Patra, give by former President of USA, Mr. Bill Clinton



Shri J. K. Baid receiving Most Innovative Business award from Business Rankers



Shri Rishi Baid receiving National Award for Technology Innovation in Downstream Plastic Processing Industry from Shri Ananth Kumar, Hon'ble Minister for Chemicals & Fertilizers



Shri V. K. Khera receiving Export Award in the category of Plastic Medical Disposables items for the highest export sales in FY 2011-12 and 2012-13 from the Plastic Export Promotion Council

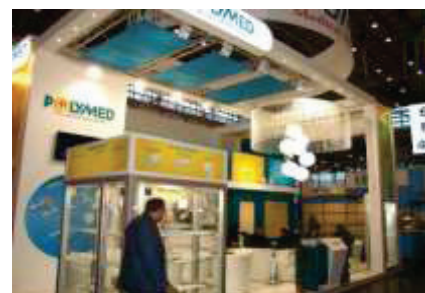
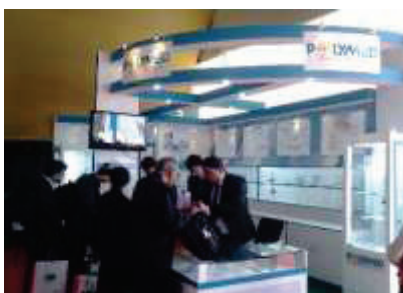


Certificate of Appreciation received from Mr. Bill Clinton, former President of USA, for contribution to Akshaya Patra, NGO



The Company received Certificate of Appreciation for developing the Patents for Medical Devices, for the Year 2012-13 from Pharmaceutical Export Promotion Council of India

Participation in various exhibitions in India and Abroad



Manufacturing Facilities



Unit I at Faridabad, Haryana



Unit II at Faridabad, Haryana



Unit III at Haridwar, Uttarakhand



Unit IV at SEZ Jaipur, Rajasthan (New Facility)



100% Subsidiary in China

Automatic production Lines



Product Range:

Infusion Therapy

Safety I.V. Cannula
I.V. Cannula
Quick Flashback I.V. Cannula
Needle Free Systems
Three Way Stop Cocks
I.V. Infusion Sets
I.V. Flow Regulators
Extension Lines
CVP Manometer
Safety Scalp vein Sets

Central Venous Access Catheters

Central Venous Catheters (Single / Double / Triple Lumen)

Anaesthesia

Oxygen Catheters
Suction Catheters
Guedel Airways
Respiratory Exerciser
Nasal Oxygen Tubes
Oxygen Masks
Aerosol Therapy masks
Fixed Concentration Masks
Endotracheal Tubes
Tracheostomy Tubes
Spinal Needles
Catheter Mount

Urology

Urine Collection Bags
Measured Volume Urine Meter
Urine Drainage Catheters
TUR Sets
Foley Balloon Catheters
Irrigation Sets

Gastroenterology

Ryle's Tubes
Levin's Tubes
Infant Feeding Tubes
Mucus Extractors
Umbilical Catheter
Feeding Bag

Blood Management & Blood Collection Systems

Blood Administration Sets
Blood Bag Systems
Blood Collection Tubes and Needles
Safety Blood Collection Sets

Surgery and Wound Drainage

Redon Drains
Thoracic Drainage Catheters
Abdominal Drainage Sets
Under Water Seal Drainage Systems
Yankauer Suction Sets

Dialysis

Fistula Needles
Safety Fistula Needles
Blood Lines
Haemodialysis Catheter
Peritoneal Dialysis Transfusion Set

Others

Insulin Syringes
Umbilical Cord Clamps
Sputum Collector
Dry Brush

Financial Highlights

	2013-14	2012-13	2011-12	2010-11	(₹ in lacs) 2009-10
Revenue From Operations (Net)	31,233.32	25,223.79	20,891.86	16,966.75	13,600.46
Total Revenue	31,339.52	25,260.55	20,953.81	17,006.06	13,653.36
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	7,369.56	5,152.02	4,577.28	3,666.20	2,943.19
Depreciation and Amortisation	1,351.06	1,182.06	995.52	858.79	706.99
Exceptional Items	(991.46)	-	-	-	-
Profit For the Year	4,303.21	2,402.92	1,925.96	2,169.02	1,642.94
Equity Dividend %*	40%	20%	15%	15%	12.5%
Dividend Payout	881.33	440.50	330.38	330.38	275.31
Equity Share Capital	2,203.32	1,101.25	1,101.25	1,101.25	1,101.25
Reserves and Surplus	12,226.21	10,002.73	8,188.32	6,676.50	4,882.84
Net Worth	14,429.95	11,103.98	9,289.57	7,777.75	5,984.09
Gross Fixed Assets	21,335.69	15,719.38	13,539.00	11,274.13	9,641.81
Net Fixed Assets	14,008.95	9,715.95	8,673.33	7,250.83	6,225.79
Total Assets	28,248.21	21,193.00	17,976.48	15,195.57	12,530.22
Market Capitalisation	99,656.00	49,556.00	27,928.00	30,615.00	10,759.00
Number of Employees	1478	1329	1210	1027	890

Key Indicators

	2013-14	2012-13	2011-12	2010-11	2009-10
Earnings Per Share - (₹)*	19.53	10.91	8.75	9.85	7.46
Turnover Per Share - (₹)*	141.76	114.52	94.86	77.03	61.75
Book Value Per Share - (₹)*	65.49	50.42	42.18	35.31	27.17
Debt : Equity Ratio	0.46:1	0.44:1	0.49:1	0.53:1	0.55:1
EBDIT/ Net Turnover %	23.60%	20.43%	21.91%	21.61%	21.64%
Net Profit Margin%	13.78%	9.53%	9.22%	12.78%	12.08%
RONW%	29.82%	21.64%	20.73%	27.89%	27.46%
ROCE%	20.37%	15.04%	13.87%	18.22%	17.72%

*Adjusted for issue of Bonus Share in 2013-14 in the ratio of 1:1

Letter to Shareholders



Dear Shareholders,

At Poly Medicure, we are driven by our passion and committed to maintain excellence in manufacturing of medical devices. We are constantly engaged in leveraging our strengths to deliver robust performance that builds sustainable value for our esteemed stakeholders.

The Indian Government has set up an ambitious agenda to achieve Universal Healthcare for all by 2020, but to achieve this all four sectors of Healthcare Industry viz. Pharma Industry, Health Insurance Industry, healthcare Providers and Medical technology Industry have to grow in Tandem. Out of the four Sectors currently, Medical Technology Industry is the smallest but it is the most critical contributor to the improvement of Healthcare in India. This Industry will play a vital role in providing affordable healthcare and innovative low cost delivery model.

Your Company has innovated and brought lower cost versions of many basic devices and has also earned precious foreign exchange for the country. Medical Equipments accounts for 29% of the total cost incurred in setting up a Hospital (250 bedded). The growth of the Hospitals Sector will simultaneously ensure the growth of the Medical Technology Industry.

At Poly Medicure, we are giving more emphasis on Research and Development and Technical Innovations in manufacturing of our products.

Robust Financial Performance

It gives me great pleasure to share with you the Company's Financial Performance for the Financial Year 2013-14, the Company has achieved net sales of ₹ 312.33 cr. which records a growth of 24% compared to net sales of ₹ 252.24 cr. in previous Financial Year. During the same period, net profit after tax expanded handsomely to ₹ 43.03 cr. from ₹ 24.03 cr. in the previous year.

This was made possible because of the relentless effort and hard work of our employees across the organization and on behalf of the Board I would like to congratulate each one of them for their excellent performance.

Initiating CSR Activities

Poly Medicure has always believed that business is an active entity of the society and its economy and plays important role in national building. Children are the future of the nation and hence, nothing can parallel their safety, proper nourishment and care in creating a better future and more prosperous tomorrow. With this thought, Poly Medicure has initiated several CSR activities. The Company has also donated a food distribution vehicle to Akshay Patra Foundation (NGO) which will be helpful in providing mid-day food to the thousands of students and motivate them to come to school and study to become better citizens of future.

Strategic Growth Initiatives

Our strategy continues to evolve as we are doing work hard to improve our customer service(s) and grow business gradually. Some of the strategic initiatives are as follows:

Commencement of commercial production at Mahindra SEZ Plant, Jaipur: Our strategy of continuously moving up the value chain with wider geographic reach, your Company has started commercial production at Mahindra SEZ, Jaipur, for the manufacture of Medical Devices and would be able to achieve 50% capacity utilization during the year. This is a new plant which will augment capacity of production and export growth and further improve competitiveness of company's products in the market.

Introducing of new products: The Company plans to introduce many new products in the field of Nephrology, Anesthesia and Infusion Therapy to complement its current product range and increase its offering in these categories.

Focus on Domestic Markets: Your Company is constantly increasing its market share in domestic business and is investing in new marketing initiatives to expand usage of its products in all key Hospitals in the country.

Future Outlook

The prospect of Medical Devices industry looks bright and promising as the Country's Healthcare Sector is growing rapidly and it continues to expand its coverage in Public as well as Private Sectors. There is substantial demand for high quality and Specialty Healthcare services in Tier II and Tier III Cities.

Major focus of your Company, will be on Quality, Consistency and Productivity through investing in process Automation, Customer Service etc. These are few major factors for acceptance of our products in more than 80 countries across the globe. The Company is further allocating additional resources in Research & Development in terms of manpower and funds in order to increase its product range. The additional infrastructure has been created at Haridwar and new plant has been commissioned as SEZ Jaipur to fulfill the growing demand.

Your Company continues to make significant progress in strengthening people, practices and processes to attract and retain the best talent in the Industry. Several measures have been initiated.

I would like to express my gratitude towards the Board of Directors, whose support and guidance have been invaluable on our path of progress. I thank you for the faith and trust you reposed in your company and also thank all our stakeholders for their continued support, commitment and contribution towards company's growth.

New Delhi
Date: 30th July 2014

Devendra Raj Mehta
Chairman