

# Poly Medicure Limited

## Annual Report 2015-16



**innovation**

**safety**

**quality**

*we Care as we Cure™*

## Corporate Information

### Board of Directors

#### Chairman

Devendra Raj Mehta

#### Non-Executive Independent Directors

Prakash Chand Surana

Yeshwant Singh Choudhary

Shailendra Raj Mehta

#### Non-Executive Director

Jugal Kishore Baid

Mukulika Baid

#### Managing Director

Himanshu Baid

#### Executive Director

Rishi Baid

### Company Secretary

Avinash Chandra

### Key Executives

Vishal Baid, President (Corporate Sales & Marketing)

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

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

Hemant Bhalla, 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](mailto:mas_serv@yahoo.com)

Website: [www.masserve.com](http://www.masserve.com)

### Registered Office

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

New Delhi – 110020 (India)

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

Fax No.: 91 11 – 26321839, 94

Email: [investorcare@polymedicure.com](mailto:investorcare@polymedicure.com)

Website: [www.polymedicre.com](http://www.polymedicre.com)

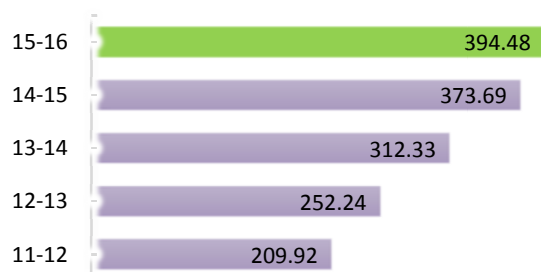
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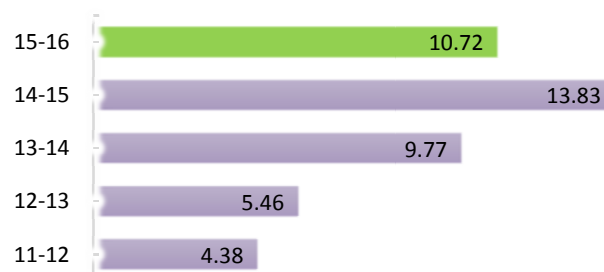
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## Key Performance Indicators:

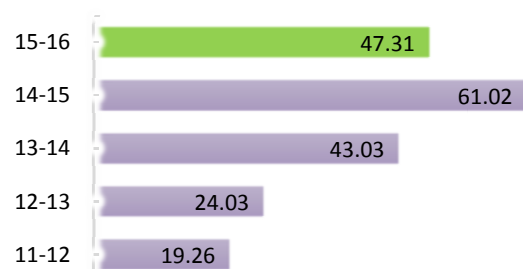
### Revenue (₹ Crore)



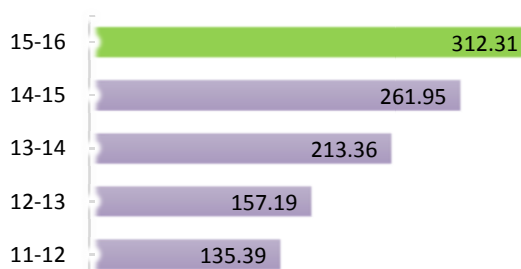
### EPS (₹) Adjusted with bonus



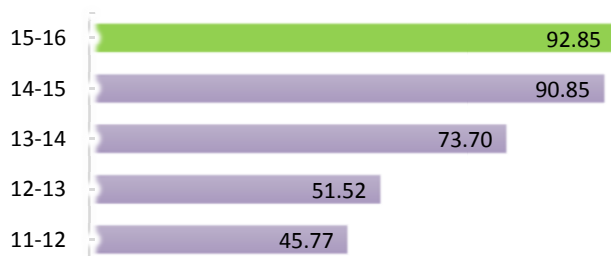
### PAT (₹ Crore)



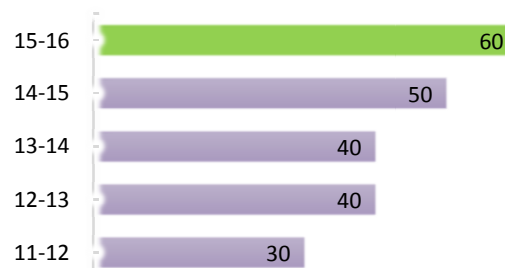
### Gross Fixed Assets (₹ Crore)



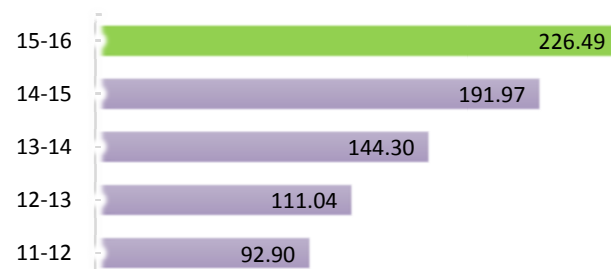
### EBIDTA (₹ Crore)



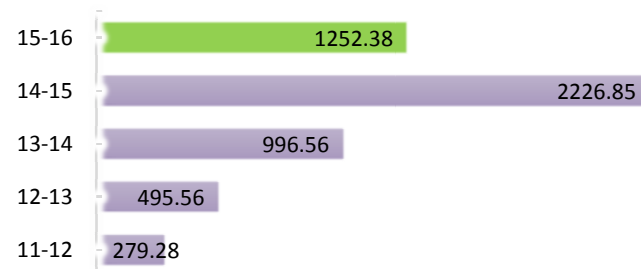
### Dividend (in %), Adjusted with bonus



### Net Worth (₹ Crore)



### Market Capitalisation (₹ Crore)



## Manufacturing Facilities



**Unit I at Faridabad, Haryana**



**Unit II at Faridabad, Haryana**



**Unit III at Haridwar, Uttarakhand**



**Unit IV at SEZ Jaipur, Rajasthan**



**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  
Vial Access Spike  
Burette Set

### 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  
Quadruple Blood Bag with In-Line RBC Filter  
Blood Collection Needle with flashback  
Luer Adaptor  
Standard Needle Holder  
ESR Pipette

### 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 Set  
Peritoneal Dialysis Transfusion Set

### Others

Injection Stopper  
Insulin Syringes  
Umbilical Cord Clamps  
Sputum Collector  
Dry Brush  
Leur Lock Injection Site  
Cannula Fixator  
Universal Cap

## Financial Highlights (Standalone)

	2015-16	2014-15	2013-14	2012-13	2011-12
	(₹ in lacs)				
Revenue From Operations (Net)	39,447.84	37,368.83	31,233.32	25,223.79	20,891.86
Total Revenue	40,286.34	38,190.97	31,339.52	25,260.55	20,953.81
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	9,284.65	9,085.46	7,369.56	5,152.02	4,577.28
Depreciation and Amortisation	2,018.79	1,808.99	1,351.06	1,182.06	995.52
Exceptional Items	-	(1,957.80)	(991.46)	-	-
Net Profit	4,730.75	6,101.72	4,303.21	2,402.92	1,925.96
Dividend Payout	1323.40	1,102.84	881.33	440.50	330.38
Equity Share Capital	2205.67	2,205.67	2,203.32	1,101.25	1,101.25
Reserves and Surplus	20,177.89	16,991.29	12,226.21	10,002.73	8,188.32
Net Worth	22,383.56	19,196.96	14,429.95	11,103.98	9,289.57
Gross Fixed Assets	30,217.75	26,194.87	21,335.69	15,719.38	13,539.00
Net Fixed Assets	19,096.77	17,046.39	14,008.95	9,715.95	8,673.33
Total Assets	37,585.03	35,445.67	28,248.21	21,193.00	17,976.48
Market Capitalisation	1,25,238.06	2,22,684.65	99,656.00	49,556.00	27,928.00
Number of Employees	1594	1586	1478	1329	1210

## Key Indicators

	2015-16	2014-15	2013-14	2012-13	2011-12
Earnings Per Share - (₹)*	10.72	13.83	9.77	5.45	4.37
Book Value Per Share - (₹)*	50.74	43.52	32.75	25.21	21.09
Debt : Equity Ratio	0.35:1	0.40:1	0.46:1	0.44:1	0.49:1
EBDIT/ Net Turnover %	23.54%	24.31%	23.60%	20.43%	21.91%
Net Profit Margin %	11.99%	16.33%	13.78%	9.53%	9.22%
RONW %	21.13%	31.78%	29.82%	21.64%	20.73%

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

\*Adjusted for sub-division of nominal face value of one equity share of ₹ 10 each into two equity share of ₹ 5 each in FY 2014-15.

## LETTER FROM THE CHAIRMAN



**Dear Shareholders,**

I am Delighted to present 21st Annual Report of your Company for F.Y. 2015-16.

I will begin with our vision of "Highest Quality of Healthcare to the mankind at affordable prices" keeping in eyes such vision we have started the Company in 1995. And this is more pleasant to share with you that we have succeeded to greater extent in fulfillment of such vision. We are providing our products of medical devices in more than 95 Countries and in a major portion of India on a reasonable prices without compromising in the quality.

Despite the current challenges compared to global market, some of the advantages India will continue to offer in areas like reduced cost of labor, a high level of technical expertise, and funding from governments for R&D investment to accelerate new product development has made India most favored destinations for outsourcing manufacturing services. With more and more multinational firms are looking at customizing their products to suit country specific requirements, the segment is only likely to grow in the coming years.

Your Company has demonstrated an impressive financial performance during the year 2015-16 as Company's total revenue increased from ₹ 398.47 crore to ₹ 420.52 crore during the year. Likewise, EBIDTA expanded to ₹ 94.04 crore as against ₹ 92.24 crore during the preceding year.

Corporate Governance and Ethical Management are critical aspects of modern business. Your Company not only seeks to pursue efficient management and ensure global competitiveness but also fulfill the corporate social responsibility through ethical and sustainable management. Today, Our Company is contributing to the Corpus of various reputed NGO's which has been strengthening livelihood by removing hunger, malnutrition and promoting the education. To this end, the Board has adopted a number of policies to support good corporate citizenship that is important for our long-term success and creating value for our stakeholders.

Our employees contribute significantly to our business operations. Employee training and development is a shared responsibility of management and the individual employee. We are focusing on recruiting, training, employee relations or benefits, through Training and development, we ensure that employees are trained and have continuous development.

Further, your company is continuously strives for the advancement and betterment of its products. The Company is hiring talented engineers time to time and making our R&D department more stronger. Our new Research and Development center, with an investment of ₹ 12.5 crore will be operational by Q3 of fiscal 2016.

Going forward, we shall also bring in more efficiencies/automation in our business processes in order to provide greater value to our stakeholders. We are also in process of implementing SAP based ERP solution and the benefits of the same will be seen in near future. Through our new investment of approximately ₹ 60 crore in the green field project at IMT Faridabad in Haryana, which is scheduled to be commissioned in third quarter of 2017 with all statutory approvals, we will significantly broaden our existing manufacturing facilities to tap on new market opportunities in the field of Oncology, Nephrology & Respiratory care segments.

The company through its innovative manufacturing and R&D efforts will launch 8-10 new products in the coming financial year. Our international market strategy includes, Increasing the basket of products with existing customers, Organizing Training Program for Global Distributors, Participation in various conferences and exhibitions, appointment of representatives in key markets.



The Journey is very pleasant yet, it is just the beginning phase of the Company, going forward, we shall continue to create value for our customers through innovation.

I will conclude with the resolve that we will continuously seek and strive to do good act better and do what is best for us and our stakeholders. Every success and every achievement on individual and on organizational level will be a big achievement.

D. R. Mehta  
Chairman

New Delhi  
8<sup>th</sup> August 2016

**A LETTER TO THE SHAREHOLDERS FROM THE MANAGING DIRECTOR**



Dear Shareholders,

As we enter the two decades of Poly Medicure's business I wish to thank all my colleagues, investors and stakeholders for their continuous support in growth and development of the Company.

During the last 2 decades Poly Medicure has provided the patients high quality medical devices at affordable prices and helped in saving major costs.

During the last 12 months your company has entered into several new markets and is now exporting its products to more than 95 countries. We have also made significant progress in the home market. The company's products are present in over 3000 key hospitals and has expanded its Distributor & Dealer network in every State. The Company has also added over 80 persons in Domestic Sales and Marketing team over past 12 months.

The Company believes in strong values, rich heritage, commitment to consumer satisfaction and a culture of Innovation, Safety and Quality. These remain the key pillars of our strength and foundation for future growth.

I am pleased to share with you the financial performance during financial Year 2015-16. Your Company achieved a net sales of ₹ 412.25 Crores, as against the ₹ 390.35 Crore in previous financial year. EBITDA improved to ₹ 94.04 Crores as from ₹ 92.24 Crores in the preceding year. Your company has continues to reward its shareholders with

handsome dividends. In the year under review an interim dividend of ₹ 2.50 per Share was declared and paid, further the Board has also recommended a final dividend of ₹ 0.50 per share for the financial year ended on 31st March, 2016.

The Company is in the process of expanding its product range in Infusion Therapy and Blood Management products. Several new products are in the development phase and will be launched in next 6 to 12 months. Through its strong R & D base the Company is focusing on new product categories like Nephrology, Oncology and Respiratory care products. Products under these new categories will be available in next 12 to 24 months.

In view of the government's emphasis on "Make in India" & mushrooming of hospitals of all sizes and categories in the Country, and a general sluggishness in the global healthcare market, our plans to focus more on the domestic markets in the immediate future has started to yield good results.

We have been recognized as the highest exporter of plastic medical disposables/ surgical devices from 2011-12 to 2014-15 (continuously for 4 years) by the Plastics Export Promotion Council, sponsored by Department of Commerce, Government of India, and have also received the 'Gold Award' for 2014-15 in recognition of our commendable contribution in Medical Devices/ Surgical/ Diagnostics Category from the Pharmaceuticals Export Promotion Council of India, supported by the Department of Commerce, Government of India. Approximately 65.57% of our total revenues were attributable to export of our products for fiscal 2016.

Going forward our top priorities for the next few years are as follows:

1. Focus on domestic market and increase reach to 5000 Hospitals in next 2 years
2. Increase focus on critical care products
3. Accelerate introduction of new products by expanding the R & D team
4. Focus on Technology Up gradation and Automation
5. Tie up with Key Academic Institutions
6. Expand export business with fast tracking Registration process in Strategically important markets.