



KMS MEDISURGI LIMITED

ANNUAL REPORT

2018-2019

TABLE OF CONTENTS

PARTICULARS	PAGE NO.
Corporate Information	3- 4
Other Information	5
Letter to Shareholders	6
Notice of Annual General Meeting	7 - 11
Board of Director's Report	12- 23
Annexures to the Board of Director's Report:	
Annexure A : Related Party Transaction (Form AOC - 2)	24-25
Annexure B : Extract of Annual Return (Form MGT - 9)	26 – 35
Annexure C : Secretarial Audit Report	36-40
Annexure D: Appointment and Remuneration of Managerial Personnel	41
Annexure E: Management Discussion And Analysis Report	42-44
Certificate Of Non-Disqualification Of Directors	45
CEO/CFO certification	46
Financials:	
Independent Auditor Report	48-52
Annexure to the Independent Auditor Report	53-56
Financial Statement as on 31 st March, 2019	57-69
Proxy Form	70-71
Attendance Slip	72

CORPORATE INFORMATION

Board of Directors and Key Managerial Personnel:

Gaurang Prataprai Kanakia (DIN: 00346180)	Chairman and Managing Director
Rekha Devang Kanakia (DIN: 00346198)	Woman Non-Executive Director
Siddharth Gaurang Kanakia (DIN: 07595098), (joined w.e.f. 02 nd May, 2018) Niraj Kumud Shah (DIN: 02202596), (resigned w.e.f. 02 nd May, 2018)	Non-Executive Non Independent Director
Hardik Rajnikant Bhatt (DIN: 07566870)	Independent Director
Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director
Anand Prataprai Kanakia	Chief Financial Officer
Swati Shah (Cessation wef 9th July, 2019 due to death) Vaijanti Sawant (joined on 02 nd May, 2018, resigned w.e.f. 19th June, 2018) Kirty Agarwal (resigned w.e.f. 02 nd May, 2018)	Company Secretary and Compliance Officer

Committees:

1.	Audit Committee:	
	Hardik Rajnikant Bhatt (DIN: 07566870)	Chairman
	Kamlesh Chunilal Rajani (DIN: 07588417)	Member
	Siddharth Gaurang Kanakia (DIN: 07595098), (joined w.e.f. 02nd May, 2018) Niraj Kumud Shah (DIN: 02202596), (resigned w.e.f. 02nd May, 2018)	Member
2.	Nomination & Remuneration Committee	
	Kamlesh Chunilal Rajani (DIN: 07588417)	Chairman
	Rekha Devang Kanakia (DIN: 00346198)	Member
	Hardik Rajnikant Bhatt (DIN: 07566870)	Member
3.	Stakeholders Relationship Committee	
	Kamlesh Chunilal Rajani (DIN: 07588417)	Chairman
	Hardik Rajnikant Bhatt (DIN: 07566870)	Member
	Gaurang Prataprai Kanakia (DIN: 00346180)	Member

OTHER INFORMATION

Registered Office/Corporate Office

297/301, May Building, Ground Floor, Princess
Street, Marine Lines- (East), Mumbai- 400002,
Maharashtra, India.

Tel No.: +91-22-66107700/22,022-67498822,

Web: www.kmsgroup.in

Mail id: kms.medisurgi@gmail.com

info@kmsgroup.in

Secretarial Auditor:

Mayank Arora & Co.

Company Secretaries

Office no. 268, 2nd Floor,

Udyog Bhavan, Sonawala Road,

Goregaon (East), Mumbai - 400 063.

M: +91-9324254455

L: 022-49735566

Email Id: cs@mayankarora.co.in

Website: www.mayankarora.co.in

Listing:

BSE Limited-SME Platform

PJ Towers, Dalal Street, Mumbai- 400001

w.e.f. , 24th April , 2017

Banker:

Union Bank, Mumbai

Saraswat Co-operative Bank, Mumbai

Statutory Auditors:

M/s Kalpesh Jain & Associates.

Chartered Accountants,

7/A, Old Wadia Bldg,

Block No. 18, Chandanwadi,

Mumbai-400002, Maharashtra

Tel No.:+91-22-22090367

Email id: kjainassociates@gmail.com

Contact Person: CA Kalpesh Jain/ Akash Balani

Registrar & Transfer Agent:

Karvy Computershare Pvt. Ltd.

Karvy Selenium Tower B,

Plot 31-32, Gachibowli,

Financial District Nanakramguda,

Hyderabad, Telangana – 50003

Tel No.: +91 – 040 – 67162222

Fax No.: +91 – 040 – 23431551

www.karvycomputershare.com

Contact Details for Investors:

297/301, May Building, Ground Floor, Princess
Street, Marine Lines East Mumbai-400002
Maharashtra, India.

Tel No.: +91 -22-65605550/ 2207111

Fax No.: +91-22-22061111

Web: www.kmsgroup.co.in Mail id:

kmsboffice@gmail.com

LETTER TO SHAREHOLDERS

Dear Shareholders,

I Gaurang Prataprai Kanakia (Managing Director), heartily welcome you all, having joined **KMS MEDISURGI LIMITED** family with your participation in our maiden public offer. It is my desire and wish that this association of ours, will strengthen our hands in to reach glorious heights.



KMS MEDISURGI LIMITED

CIN: L51397MH1999PLC119118

Regd Office : 297/301, May Building, Ground Floor, Princess Street,

Marine Lines- (East), Mumbai- 400002, Maharashtra, India,

Ph-022-66107700/22,022-67498822,

Facsimile: +91-22-22061111,

Website: -www.kmsgroup.in,

E-mail Id:-info@kmsgroup.in

NOTICE

21ST ANNUAL GENERAL MEETING

Notice is hereby given that **21st Annual General Meeting** of the members of KMS Medisurgi Limited will be held at the registered office of the Company at 297/301, May Building, Ground Floor, Princess Street, Marine Lines (East), Mumbai- 400002, on Monday, 30th September, 2019 at 11:30 a.m., to transact the following business :-

ORDINARY BUSINESS

1. Adoption of Financial Statement

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.

2. Declaration of Dividend

To declare a Final Dividend of Re. 0.05 (0.5%) per equity share of Face Value of Rs 10/- each, for the Financial Year 2018-19.

3. Appointment of Mrs. Rekha Devang Kanakia (DIN: 00346198) as a Director liable to retire by rotation

To appoint a Director in place of Mrs. Rekha Devang Kanakia (DIN: 00346198), who retires by rotation and being eligible, offers herself for re-appointment.

Date: 13.08.2019
Place: Mumbai

For KMS Medisurgi Limited

Sd/-
Gaurang Prataprai Kanakia
Managing Director
(DIN:00346180)

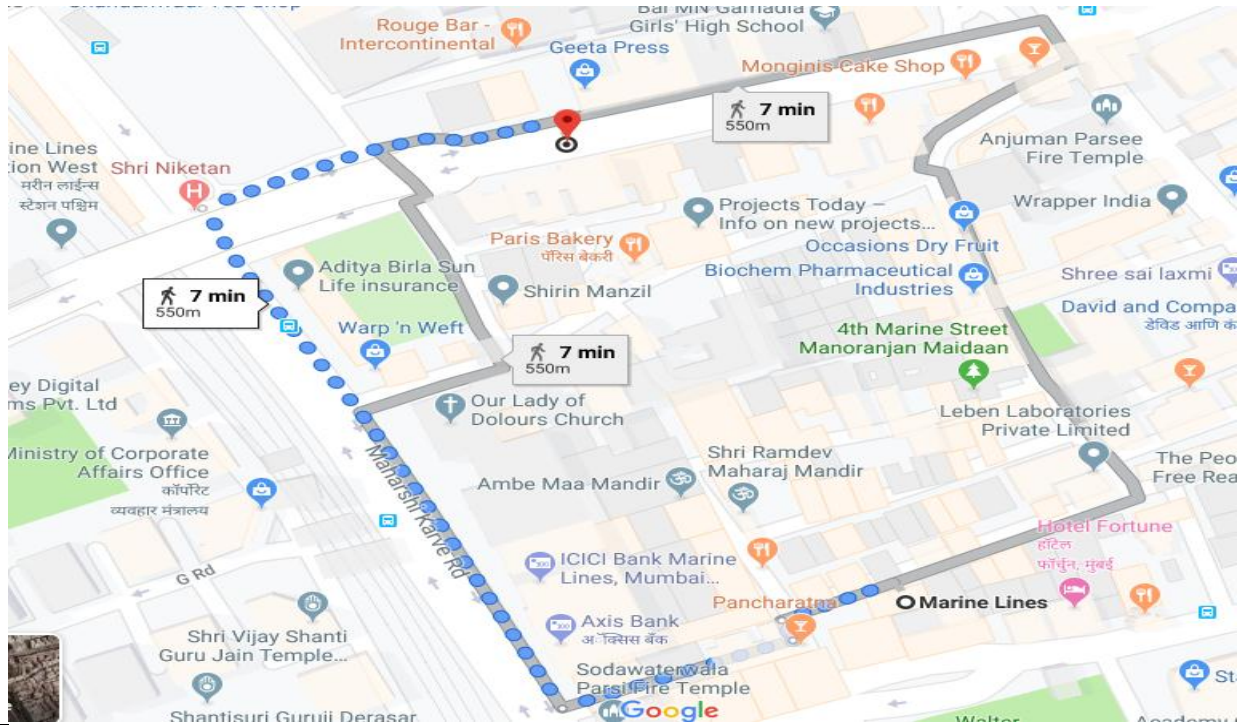
NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote on a Poll instead of himself and a Proxy need not be a Member. Proxy form, in order to be effective, must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
2. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under **Item No. 3** of the notice, are annexed.
3. The register of members and transfer books of the company shall remain closed from Saturday, 21st September, 2019 to Monday, 30th September, 2019 (both days inclusive) for the purpose of 21st Annual General Meeting and for determining the names of members eligible for dividend on Equity Shares, if declared at a meeting.
4. The dividend as recommended by the Board is approved at the AGM, payment of such dividend will be made on or after Saturday, 5th October, 2019:
 - i to all the Members in respect of shares held in physical form whose names appear on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Friday, 20th September, 2019; and
 - ii to all Beneficial Owners in respect of shares held in electronic form whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on Friday, 20th September, 2019;
5. The notice of 21st Annual General Meeting of the Company and Annual Report 2018-19 is available on the Company's website at **www.kmsgroup.in**
6. Members/Proxy holders are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Annual General Meeting.
7. Members who wish to obtain information of the Company may send their queries at least 10 days before the Annual General Meeting to the Company Secretary at the Corporate Office of the Company.
8. The Shareholders are requested to notify changes of their address immediately to the Registrars & Transfer Agent **Karvy Computershare Pvt. Ltd.** The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.

9. Non Resident Indian Members are requested to inform Registrar and Transfer Agent, immediately of:
 - i. Change in their residential status on return to India for permanent settlement.
 - ii. Particulars of their Bank Account maintained in India with complete name, branch, account, type, account number and address of the bank with pin code number, if not furnished earlier.
10. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
11. Electronic copy of the Annual Report is being sent to the members whose email IDs are registered with the Company/ Depository Participant. For members who have not registered their email addresses, physical copies of the Annual Report 2018-19 is being sent in the permitted mode. Members who have not registered their email addresses, so far, are requested to register their email addresses in respect of electronic holdings with the Depository Participants.
12. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
13. In terms of Listing Regulations, the securities of the listed companies can only be transferred in dematerialized form with effect from April 01, 2019. In view of the same, members are advised to dematerialize shares held by them in physical form.
14. In compliance with Section 108 of the companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and regulation 44 of the Listing Regulation, the company is not providing e-voting facility as SME listed company is not required to provide e-voting facility.

Route Map for AGM venue

297/301, May Building, Ground Floor, Princess Street, Marine Lines- (East), Mumbai- 400002



ANNEXURE TO THE NOTICE

Details of the Directors seeking appointment/re-appointment at the forth coming Annual General Meeting:

Annexure of Item No: 03

Name of Director	Rekha Devang Kanakia
DIN	00346198
Date of Birth	26/05/1972
Date of first Appointment	17/03/2016
Qualification	Commerce Graduate
Expertise in specific functional areas and experience	She is a commerce graduate and has more than 4 years of experience in Administration
Directorship held in other Companies	KMS MANUFACTURING LIMITED
No. of Equity Shares held in the Company as on 31.03.2019	442,000 Equity Share

BOARD OF DIRECTOR'S REPORT

**To,
The Members,
KMS MEDISURGI LIMITED**

Your Directors have pleasure in presenting their 21st Annual Report on the business and operation of the company and the accounts for the financial year ended **31st March, 2019**.

1. FINANCIAL RESULTS

The working results of the company for the year ended are as follows:

Sr. No.	Particulars	31.03.2019	31.03.2018
		(Rs.)	(Rs.)
1.	Revenue from operations	98,569,731	73,235,947
2.	Other Income	4,209,647	3,532,236
3.	Total Revenue	102,779,378	7,67,68,183
4.	Less: Expenses	100,710,131	7,49,60,694
5.	Profit before Tax	2,069,247	1,807,489
6.	Provision for Tax	837,000	8,50,000
9.	Profit after Tax	1,232,247	9,57,489

2. FINANCIAL HIGHLIGHTS

During the financial year ended 31st March, 2019, the total revenue was Rs 102,779,378/- as against Rs. 7,67,68,183/- in the previous year. For March 31, 2019, Company's Net Profit after tax was Rs. 1,232,247/- as against Rs. 9,57,489/- in the previous year.

3. TRANSFER TO RESERVES

The Company has transferred Rs. 1,232,247/- to Reserve & Surplus and the same is in compliance with the applicable provisions prescribed under the Companies Act, 2013.

4. CAPITAL STRUCTURE

The Authorized Share Capital of the Company is Rs 3,50,00,000/- (Rupees Three Crores Fifty Lakhs) divided into 35,00,000 (Thirty- Five Lakhs) Equity shares of Rs 10/- each.

The Paid- up Share Capital has increased to Rs. 3,30,00,000/- (Rupees Three Crores Thirty lakhs only) divided into 33,00,000 Equity shares of Rs. 10/- each fully paid- up.

5. DIVIDEND

Your Directors are pleased to recommend a Dividend of 0.5% i.e. Re. 0.05 Per Equity Share of face value of Re. 10/- each fully paid up aggregating to Rs. 1,65,000/- for the year ended 31st March 2019 subject to the approval of Members at the Annual General Meeting on 30th September, 2019.

6. DEPOSIT

During the year under review your company has not accepted any deposits from the public and therefore no information is required to be furnished in respect of outstanding deposits.

7. CHANGES IN NATURE OF BUSINESS

There is no significant change made in the nature of the company during the financial year.

8. NAME OF THE COMPANIES, WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

At the end of the financial year under review none of the Company have become or ceased to be subsidiaries, joint ventures or associate companies.

9. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. The Company on various activities also puts necessary internal control systems in place across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources.

10. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Particulars of contract or arrangements with related parties is annexed herewith in Form AOC 2 as **"Annexure - A"**

11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts, which would impact the going concern status of the Company and its future operations.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 during the Financial Year 2018-19.

13. DIRECTORS

Retire by Rotation- Rekha Devang Kanakia

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms, Rekha Devang Kanakia, Director (DIN: 00346198) of the company is liable to retire by rotation in the 21st Annual General Meeting and being eligible, she offer herself for re-appointment.

Appointment & Resignation:

Mr. Siddharth Gaurang Kanakia appointed as an additional Director w.e.f. 02nd May, 2018 and Mr. Niraj Kumud Shah ceased to be a Director w.e.f. 02nd May, 2018.

14. KEY MANAGERIAL PERSONNEL

Pursuant to the Section 2(51) and provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Key Managerial Personnel (KMP) of the Company as on 31st March, 2019 are as follows:

- Mr. Gaurang Prataprai Kanakia (DIN: 0346180), Managing Director of the Company.
- Mr. Anand Prataprai Kanakia, Chief Financial Officer (CFO) of the Company.
- Ms. Swati Shah, Company Secretary & Compliance Officer of the Company

a. Declaration by Independent Directors:

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Director in terms of Section 164 (2) of the Companies Act, 2013.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

At the time of appointment of an Independent Director, the Company issued a formal letter of appointment outlining his / her role, function, duties and responsibilities as a director. The formal letter of appointment is hosted on the website of the Company.

b. Familiarization programme for Independent Director:

The Company proactively keeps its Directors informed of the activities of the Company, its Management and operations and provides an overall industry perspective as well as issues being faced by the industry.

15. COMPOSITION OF BOARD

The Board of Directors of KMS Medisurgi Limited is a balanced composition and optimum mix of executive and Non-Executive Directors. They show active participation at the Board, which enhances the transparency and adds value to their decision making. The board of the Company is headed by an executive Chairman and a Managing Director.

The chairman takes the strategic decisions, frames the policy guidelines and extends wholehearted support to Executive Directors, Business Heads and associates.

As at 31st March 2019, the Directors and Key Managerial Personnel of the Company consisted of the following:

Sr. No	Particulars	DIN/PAN	Designation
1.	Mr. Gaurang Prataprai Kanakia	00346180	Promoter, Chairman and Managing Director
2.	Mr. Anand Prataprai Kanakia	AGQPK7415F	Promoter and Chief Financial Officer
3.	Mr. Rekha Devang Kanakia	00346198	Promoter and Woman Non-Executive

			Director
4.	Mr. Hardik Rajnikant Bhatt	07566870	Non- executive Independent Director
5.	Mr. Kamlesh Rajani Chunilal	07588417	Non-Executive Independent Director
6.	Mrs. Siddharth Gaurang Kanakia	07595098	Non-Executive Director
7.	Ms. Swati Shah	BJGPS5133L	Company Secretary & Compliance officer (Died on 9th July, 2019)

16. BOARD EVALUATION

In compliance with the provisions of the Companies Act, 2013 and other provisions, if any, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Nomination & Remuneration Committee and Shareholder's Grievance Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

17. MEETING OF BOARD OF DIRECTORS

A) Number of Board Meetings in the year (2018- 19)

During the year eleven meetings of the Board of Director's were held. Detail is as below:

Sr. No	Date of Meetings
1.	02.05.2018
2.	30.05.2018
3.	19.06.2018
4.	13.07.2018
5.	24.08.2018
6.	06.09.2018
7.	19.09.2018
8.	02.11.2018
9.	14.11.2018
10.	01.02.2019
11.	04.03.2019

B) Attendance of Directors at Board meetings held during the year:

Sr. No.	Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM
1	Gaurang Prataprai Kanakia (DIN: 00346180)	Chairman and Managing Director	11	Yes
2	Rekha Devang Kanakia (DIN: 00346198)	Woman Non-Executive Director	11	Yes
3	Niraj Kumud Shah (DIN: 02202596) (resigned w.e.f. 02nd May, 2018)	Non-Executive Non Independent Director	1	Yes

4	Hardik Rajnikant Bhatt (DIN: 07566870)	Independent Director	11	Yes
5	Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director	11	Yes
6	Anand Prataprai Kanakia	CFO(KMP)	11	Yes
7	Siddharth Gaurang Kanakia (DIN: 07595098)	Non-Executive Non Independent Director	11	Yes

18. MEETING OF MEMBERS

During the year, 20th Annual General Meeting of the Company was held on 30th September, 2018.

19. COMMITTEES

There are three Committees constituted as per Companies Act, 2013. They are:

- A. Audit Committee
- B. Nomination & Remuneration Committee
- C. Shareholders & Investor's Grievance Committee

The Composition of the committees and relative compliances, are in line with the applicable provisions of the Companies Act, 2013 read with Rules and Listing Regulations. Details of term of reference of the Committees, Committees" Membership and attendance at Meetings of the Committees are provided as follows:

A. Audit Committee

The Company has constituted an Audit Committee in accordance with Section 177(1) of the Companies Act, 2013. During the financial year 2018-2019, four meeting of the Audit Committee were held on 30.05.2018, 06.09.2018, 14.11.2018, 04.03.2019 the details of the composition of the committee and attendance at its meeting are set out in the following table:

1. Attendance of Directors in Audit Committee Meeting:

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended
1	Hardik Rajnikant Bhatt (DIN: 07566870)	Independent Director	Chairman	4
2	Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director	Member	4
3	Niraj Kumud Shah (DIN: 02202596)	Non Independent Non Executive Director	Member	4

All the members of the Audit Committee are financially literate and have relevant accounting financial management expertise as required under the companies Act, 2013 and Regulation 18 of the listing Regulations.

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting and its Compliances with the legal and regulatory requirements. The committee oversees the work carried out in the financial reporting process by the Management and the Statutory Auditors and, note the process and safeguards employed by each of them.

Term of reference:

The term of reference, role, powers, rights, authority and obligations of the Audit Committee are in conformity with the applicable provisions of the Companies Act, 2013 and Listing Obligation Requirements (including any statutory modification(s) or re-enactment or amendment thereof.

B. Nomination & Remuneration Committee

The Company has constituted Nomination & Remuneration Committee in accordance with Section 178 of the Companies Act, 2013. During the financial year 2018-2019, one meeting of the Nomination & Remuneration Committee was held on 02.05.2018 the details of the composition of the committee and attendance at its meeting are set out in the following table:

1. Attendance of Directors in Nomination & Remuneration Committee Meeting:

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended
1	Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director	Chairman	1
2	Rekha Devang Kanakia (DIN: 00346198)	Non-Executive Non Independent Director	Member	1
3	Hardik Rajnikant Bhatt (DIN: 07566870)	Independent Director	Member	1

The Company has duly formulated and has in place the Nomination and remuneration Policy for appointment and remuneration of Directors, Key Managerial Personnel and Employees of the Company and as required under section 134 the same is available at the Company website www.kmsgroup.in

The policy formulated by Nomination and Remuneration Committee includes Director's appointment and remuneration including qualifications, positive attributes, independence of a director and other matters as specified under section 178(3) of the Companies act, 2013 and same was approved by the Board of Directors of the Company. All statutorily policies of the Company are available on the website of the Company for investor's reference.

C. Stakeholder's Relationship Committee

The Company has constituted Stakeholder's Relationship Committee in accordance with Section 178 of the Companies Act, 2013 mainly to focus on the redressal of shareholders'/Investors Grievance, if any, like Transfer/Transmission/Demat of shares, Loss of Certificates; Non-Receipt of Annual Report; Dividend Warrants etc.. During the financial year 2018-2019, four meetings of

the Stakeholder's Relationship Committee were held on 02.05.2018, 13.07.2018, 02.11.2018, 01.02.2018 the details of the composition of the committee and attendance at its meeting are set out in the following table:

1. Attendance of Directors in Stakeholder's Relationship Committee Meeting:

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended
1	Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director	Chairman	4
2	Hardik Rajnikant Bhatt (DIN: 07566870)	Independent Director	Member	4
3	Gaurang Prataprai Kanakia (DIN: 00346180)	Managing Director	Member	4

D. Independent Director Meeting

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

- During the year 1 meeting was held, detail is as follows:

Sr. No	Date of Meetings
1.	04.03.2019

2. Attendance of Directors in Independent Director Meeting is as follows:

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended
1	Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director	Chairman	1
2	Hardik Rajnikant Bhatt (DIN: 07566870)	Independent Director	Member	1

Details of Shareholders' Complaints Received, Solved and Pending as on March 31, 2019

The Company expresses satisfaction with the Company's performance in dealing with investor grievance. The Company has not received any complaints during the year under review. Hence, there were no complaints outstanding as on March 31, 2019.

20. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the ends of the financial year of the Company to which the financial statements relate and the date of the report.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

As the Company is not covered in the list of industries required to furnish information in Form “A” relating to Conservation of Energy, the same is not given. Even though its operations are not energy intensive, significant measures are taken to reduce energy consumption by using energy effect equipment. The Company regularly reviews power consumption and thereby achieves cost savings.

22. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure - B”.

23. DIRECTORS' RESPONSIBILITY STATEMENT

- i. To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 134(3) (c) of the Companies Act, 2013.
- ii. That in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- iii. That such accounting policies, as mentioned in the Financial Statements as ‘Significant Accounting Policies’ have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- iv. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- v. That the annual financial statements have been prepared on a going concern basis;
- vi. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- vii. Those proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

24. AUDITORS

(I) Statutory Auditors

The Company's Auditors M/s. Kalpesh Jain & Associates, Chartered Accountants (Firm Registration No. 132603W) were appointed as Statutory Auditors of the Company from the conclusion of 19th Annual General Meeting held on 30th September, 2017 till the conclusion of 24th Annual General Meeting, for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting. In accordance with the Section 40 of the Companies (Amendment) Act, 2017, the appointment of Statutory Auditors is not required to be ratified at every AGM.

(II) Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 and Rules made there under, M/s Mayank Arora & Co., Practicing Company Secretary, have been appointed as a Secretarial Auditors of the Company. The Secretarial Audit report of the Secretarial Auditor is enclosed as "**Annexure-C** to this Report".

Explanation or Comments on Observation, reservation or adverse remark made by the Company Secretary in practice in the Secretarial Audit Report.

AUDITORS OBSERVATION	DIRECTORS COMMENT
<i>As per Regulation 34(e) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015; the Company has not attached 'Annexure E' i.e. Management's Discussion and Analysis Report in the Annual Report for the F.Y.2017-18 which was uploaded on the website of BSE Ltd.</i>	<i>The Company will be more careful in future</i>

(III) Cost Auditors

Pursuant to section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014 as amended from time to time your Company is not required to appoint Cost Auditor for the financial year 2018-19.

(IV) Internal Auditors

The provision of Section 138 of The Companies Act, 2013 is now applicable to company and company has appointed Mr. Mayur Mahesh, as an internal auditor of the Company, to carry out internal Audit for the financial year 2018-19 based on the recommendation of the Audit Committee.

25. EXPLANATION ON ANY ADVERSE REMARK AND COMMENT BY THE AUDITORS

No adverse remark and comments are given by the auditors of the Company including the Statutory and/or Secretarial Auditor of the Company. The Statutory Auditor has not reported any incident of fraud of the Company during the financial year 2018-2019.

26. DISCLOSURE OF EMPLOYEES REMUNERATION

During the year under report, none of the employees of the Company was in receipt of remuneration for any part of the year, in excess of the amount of remuneration prescribed in section 197 of the Companies Act 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended up to date.

The information required under section 197 of the act read with Rule 5(1) of the companies (Appointment and Remuneration) Rules, 2014 is annexed as "**Annexure-D**" and forms a part of this report.

27. VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company has adopted Vigil Mechanism/Whistle Blower Policy in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It aims to provide an avenue for employees through this policy to raise their concerns on any violation of legal or regulatory requirements, suspicious fraud, misfeasance, misrepresentation of any financial statements and reports. The Vigil Mechanism/Whistle Blower Policy is being made available on the Company's website www.kmsgroup.in.

28. REMUNERATION POLICY

Pursuant to provision of Section 178(3) of the Companies Act, 2013, The Board has framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel including criteria for determining qualifications, positive attributes and independence of Directors. More details have been disclosed in the Corporate Governance Report. The Remuneration Policy has been uploaded on the Company's website www.kmsgroup.in.

29. CORPORATE GOVERNANCE

Company is listed on BSE-SME. Hence, Corporate Governance Report is not applicable to the company for financial year 2018-19.

30. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Provision of the CSR expenditure and Composition of Committee as provided in the section 135 of the Companies Act 2013, is not applicable to company

31. LISTING OF SHARES

The Company has been listed on SME Platform of BSE Limited with effect from 24th April, 2017. Further, the Annual listing Fee for the year 2018-19 has been paid.

32. SEXUAL HARASSMENT

There was no case filled during the year, under the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Further Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee and the policy of the same is made available on the Company's website www.kmsgroup.in.

33. GOODS & SERVICE TAX REGISTRATION

Goods & Service Tax ("GST"), which is a comprehensive indirect tax reform is introduced in India w.e.f. 1st July, 2017 and was applicable throughout India which replaced multiple cascading taxes levied by the Central and State Governments. Hence, your Company has also got registered under the same for trading of Surgical and Disposable items. GST registration number of the Company and primary address are as under:

LOCATION OF PRIMARY PLACE OF BUSINESS	GSTIN ALLOTTED
Mumbai	27AAACK9269Q1ZM

34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 forms part of this report and are attached as “Annexure E”.

35. INSIDER TRADING:

The Board of Directors has adopted the Inside Trading Policy in accordance with the requirement of the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Inside Trading Policy of the company lays down guidelines and procedure to be followed, and disclosure to be made while dealing with shares of the company as well as consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in the company's shares.

The Company had in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Accordingly, the Board approved and adopted:

- a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
- b) Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons.

The code referred to in (a) above is placed on the Company's website www.ambaniorganics.com.

36. CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company. The Board Members and the Senior Management personnel have to affirm compliance with the code for the F.Y. 2018-19. The said Code of Conduct has been posted on the website of the Company. A declaration to this effect is annexed and forms part of this report.

37. SECRETARIAL STANDARDS:

During the Financial Year 2018-19, the company is in compliance with the applicable Secretarial Standards issued by the Institute of Companies of India with respect to Board and General meetings.

38. SHARE TRANSFER SYSTEM:

All share transfer, dematerialization and related work is managed by Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad, T

elangana – 50003,. Shareholders are requested to send all share transfer requests, demat/remat requests, correspondence relating to shares i.e. change of address, Power of Attorney, etc. to the registrar and transfer agents.

39. SHARE CAPITAL AUDIT:

As stipulated by Securities and Exchange Board of India (SEBI), Mr. Mayank Arora, Proprietor of M/s. Mayank Arora & Co., Practicing Company Secretaries carried out the Share Capital Audit to reconcile

the total admitted capital with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and shares held physically as per the register of members and the total issued and listed capital.

40. INVESTORS CORRESPONDENCE:

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District Nanakramguda,
Hyderabad, Telangana – 50003
Tel No.: +91 – 040 – 67162222
Fax No.: +91 – 040 – 23431551
www.karvycomputershare.com

41. ACKNOWLEDGEMENT

The Board wishes to place on record their sincere appreciation and acknowledge with gratitude the effort put in and co-operation extended by bankers, shareholders, employees at all levels and all other associated persons, bodies or agencies for their continued support.

Date: 13.08.2019

Place: Mumbai

For, KMS Medisurgi Limited

sd/-

**Gaurang Kanakia
Managing Director & Chairman
(DIN:00346180)**

ANNEXURE TO DIRECTOR'S REPORT:

ANNEXURE A

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

1	Name(s) of the related party and nature of relationship	NA
2	Nature of contracts/arrangements/transactions	NA
3	Nature of contracts/arrangements/transactions	NA
4	Salient terms of the contracts or arrangements or transactions including the value, if any-	NA
5	Justification for entering into such contracts or arrangements or transactions	NA
6	Date(s) of approval by the Board	NA
7	Amount paid as advances, if any	NA
8	Date on which the special resolution was passed in general meeting as required under first Proviso to section 188	NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

During the year, the following transaction took place:

SL NO	Name (s) of the related party & nature of relationship	Nature of contracts/ar-rangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1.	Dermacare Surgicals Pvt. Ltd.	Purchase of Goods and Materials	1 year	50,00,000/-	02.05.2018	NA
2.	Dermacare Surgicals Pvt. Ltd.	Sale of Goods and Materials	1 year	5,00,000/-	02.05.2018	NA
3.	KMS Manufacturing Co	Purchase of Goods and Materials	1 year	1,10,00,000/-	02.05.2018	NA
5.	KMS Manufacturing Co	Sales of Goods and Materials	1 year	5,50,00,000/-	02.05.2018	NA

6.	KMS Manufacturing Co	Job work	1 year	50,00,000/-	02.05.2018	NA
7.	KMS Tours & Travels	Car Leasing Income	1 year	10,00,000/-	02.05.2018	NA

Date: 30th May, 2019

Place: Mumbai

For KMS Medisurgi Limited

**Sd/-
Gaurang Kanakia
Managing Director & Chairman
(DIN: 00346180)**

ANNEXURE B**FORM MGT- 9 EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31.03.2019 [Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L51397MH1999PLC119118
ii.	Registration Date	25/03/1999
iii.	Name of the Company	KMS MEDISURGI LIMITED
iv.	Category/Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v.	Address of the Registered office and contact details	297/301 May Building, Gr. Floor Marine lines(East) Princess Street Mumbai - 400002
vi.	Whether listed company	YES (Listed on 24 th April 2017)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computer Share Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad-500032 Tel No.: + 91-40 -67162222 Contact Person: Mr. M Murali Krishna Website: www.Karisma.karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service*	% to total turnover of the company
1	Manufacture of medical impregnated wadding, gauze, bandages, dressings, surgical gut string etc	21006	100%

* As per National Industrial Classification 2008 - Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
NA					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	1766000	-	1766000	53.52	1822000	-	1822000	55.21	1.70
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	634000	-	634000	19.21	634000	-	634000	19.21	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	2400000	-	2400000	72.73	2456000	-	2456000	74.42	1.70
2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total(A)(2):-									
Total Shareholding of promoter (A) =(A)(1)+(A)(2)	2400000	-	2400000	72.73	2456000		2456000	74.42	1.70
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	232000	-	232000	7.03	260000	-	260000	7.88	0.85
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	172000	-	172000	5.21	136000	-	136000	4.12	-1.09

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total		Demat	Physical	Total		Demat
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs	496000	-	496000	15.03	448000	-	448000	13.58	-1.45
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	900000	-	900000	27.27	844000	-	844000	25.58	-1.70
Total Public Shareholding (B)=(B)(1)+(B)(2)	900000	-	900000	27.27	844000	-	844000	25.58	-1.70
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3300000	-	3300000	100	3300000	-	3300000	100	-

ii. Shareholding of Promoters and Promoters group

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumb ered to total shares	% change in share holding during the year
A. Individuals								
1	Gaurang Prataprai Kanakia	3,28,180	9.94%	-	3,28,180	9.94%	-	-
2	Anand Prataprai Kanakia	3,37,400	10.22%	-	3,37,400	10.22%	-	-
3	Rekha Devang Kanaki	4,42,000	13.39%	-	4,42,000	13.39%	-	-
4	Sushila Prataprai Kanakia	4,40,000	13.33%	-	4,40,000	13.33%	-	-
5	Amrita Gaurang Kanakia	1,68,000	5.09%	-	1,68,000	5.09%	-	-
6	Monali Gaurang Kanakia	210	0.01%	-	28,210	0.85%	-	0.84%
7	Kaushali Gaurang Kanakia	210	0.01%	-	28,210	0.85%	-	0.84%
8	Siddharth Prataprai Kanakia	50,000	1.52%	-	50,0000	1.52	-	-
B Body Corporate								
1	Moni Diamonds Ltd.	6,34,000	19.21%	-	6,34,000	19.21%	-	-

iii. Change in Promoter and Promoters group Shareholding

Sr. No	Name of Shareholders	Shareholding at the beginning of the year 01.04.2018		Shareholding at the end of the year 31.03.2019	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Monali Gaurang Kanakia	210	0.01%	28,210	0.85%
2	Kaushali Gaurang Kanakia	210	0.01%	28,210	0.85%

iv. Shareholding of Top Ten Shareholders (other than Directors, Promoters, and Holders of ADRs and GDRs)

					Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
Sl no	Folio/Dp id-Client id	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	AAKCM4324J	LTD	Opening Balance - 31/03/2018	Motive Broking & Advisory Private Limited	140000	4.24	140000	4.24
	30/03/2019		Closing Balance - 30/03/2019				140000	4.24
2	AACCN6196R	LTD	Opening Balance - 31/03/2018	Naysaa Securities Limited	80000	2.42	80000	2.42
	27/04/2018		Purchase		4000	0.12	84000	2.55
	08/06/2018		Sale		4000	0.12	80000	2.42
	28/09/2018		Purchase		4000	0.12	84000	2.55
	12/10/2018		Purchase		4000	0.12	88000	2.67
	30/11/2018		Purchase		4000	0.12	92000	2.79
	18/01/2019		Purchase		4000	0.12	96000	2.91
	01/02/2019		Purchase		4000	0.12	100000	3.03
	01/03/2019		Purchase		4000	0.12	104000	3.15
	08/03/2019		Purchase		4000	0.12	108000	3.27
	30/03/2019		Closing Balance - 30/03/2019				108000	3.27
3	ABUPL8783C	PUB	Opening Balance - 31/03/2018	Ashok Babubhai Lade	64000	1.94	64000	1.94
	30/03/2019		Closing Balance - 30/03/2019				64000	1.94
4	AKNPD0415D	PUB	Opening Balance - 31/03/2018	Dodia Gita Hitesh	60000	1.82	60000	1.82
	30/03/2019		Closing Balance - 30/03/2019				60000	1.82

5	AGWPJ0234B	PUB	Opening Balance - 31/03/2018	Yagnesh Manaharlal Joshi	40000	1.21	40000	1.21
	30/03/2019		Closing Balance - 30/03/2019				40000	1.21
6	AACPS0373G	PUB	Opening Balance - 31/03/2018	Shrenik Prafulchandra Sanghvi	28000	0.85	28000	0.85
	06/04/2018		Purchase		4000	0.12	32000	0.97
	13/04/2018		Purchase		4000	0.12	36000	1.09
	30/03/2019		Closing Balance - 30/03/2019				36000	1.09
7	AAKHA5378P	HUF	Opening Balance - 31/03/2018	Alpeshkumar Prabhulal Kubadiya (HUF)	20000	0.61	20000	0.61
	13/04/2018		Sale		20000	0.61	0	0.00
	30/03/2019		Closing Balance - 30/03/2019				0	0.00
8	AAKHP5217N	HUF	Opening Balance - 31/03/2018	Paras Rasiklal Vadera (HUF) .	20000	0.61	20000	0.61
	22/02/2019		Sale		20000	0.61	0	0.00
	30/03/2019		Closing Balance - 30/03/2019				0	0.00
9	ACTPV4605P	PUB	Opening Balance - 31/03/2018	Sonal paraskumar vadera .	20000	0.61	20000	0.61
	06/04/2018		Sale		20000	0.61	0	0.00
	30/03/2019		Closing Balance - 30/03/2019				0	0.00
10	ADDPK4184H	PUB	Opening Balance - 31/03/2018	Alpeshkumar Prabhulal Kubadiya	20000	0.61	20000	0.61
	13/04/2018		Sale		20000	0.61	0	0.00
	30/03/2019		Closing Balance - 30/03/2019				0	0.00

v. Shareholding of Directors and Key Managerial Personnel:

Sr, No	Name of Shareholders	Shareholding at the beginning of the year 01.04.2018		Shareholding at the end of the year 31.03.2019	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Gaurang Prataprai Kanakia	3,28,180	9.94%	3,28,180	9.94%
2	Anand Prataprai Kanakia	3,37,400	10.22%	3,37,400	10.22%
3	Rekha Devang Kanakia	4,42,000	13.39%	4,42,000	13.39%
4.	Siddharth Gaurang Kanakia	50,000	1.52%	50,000	1.52%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			--	
i) Principal Amount	10,993,173	8,058,354		19,051,527
ii) Interest due but not paid	-	-		
iii) Interest accrued but not	-	-		
Total (i+ii+iii)	10,993,173	8,058,354	--	19,051,527
Change in Indebtedness during the financial year				
- Addition	-	1,196,927	-	1,196,927
- Reduction	8,972,055	-	-	8,972,055
Net Change	8,972,055	1,196,927	-	10,168,982
Indebtedness at the end of the financial year				
i) Principal Amount	2,021,118	9,255,281		11,276,399
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,021,118	9,255,281		11,276,399

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Gaurang Prataprai Kanakia	Rekha Devang Kanakia	Siddharath Kanakia	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	600,000	70,658	670,658
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission - as % of profit - others, specify...	- -	- -		- -
5.	Others, please specify	-	-		-
6.	Total(A)	-	600,000	70,658	670,658
	Ceiling as per the Act		Within Limits		

B. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary *Swati Shah	CFO Anand Prataprai Kanakia	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	260,833 -	-	260,833

	(b) Value of perquisites u/s 17(2)Income-tax Act,1961	-		
	(c) Profits in lieu of salary under section17 (3)Income-tax Act,1961	-		
2.	Stock Option	-		
3.	Sweat Equity	-		
4.	Commission - as% of profit -others, specify...	-		
5.	Others, please specify	-		
6.	Total	260,833	-	260,833

*Cessation wef 09.07.2019 due to death

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty / Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	NIL				
Punishment					
Compounding					
B. Directors					
Penalty	NIL				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	NIL				
Punishment					
Compounding					

Date: 30th May, 2019
Limited

Place: Mumbai

For KMS Medisurgi

Sd/-
Gaurang Kanakia
Managing Director & Chairman
(DIN: 00346180)

ANNEXURE C
SECRETARIAL AUDIT REPORT
Secretarial Audit Report

FORM NO. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

To,

The Members,

KMS MEDISURGI LIMITED

297/301 May Building, Gr. Floor

Marine lines (East) Princess Street,

Mumbai – 400 002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/s. KMS MEDISURGI LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

i. Management ‘ Responsibility for Secretarial Compliances

The Company’s Management is responsible for preparation and maintenance of Secretarial Records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

ii. Auditor’s Responsibility

My responsibility is to express an opinion on the Secretarial records, standards and procedures followed by the Company with respect to Secretarial Compliances.

I believe that audit evidence and information obtained from the Company’s Management is adequate and appropriate for me to provide a basis for my opinion.

Based on my verification of the Company’s Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. KMS MEDISURGI LIMITED** (“the Company”) for the financial year ended on 31st March, 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (not applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (not applicable to the Company during the Audit period);
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October 2014(not applicable to the Company during the Audit period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit period);
- f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 and
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period);
- h. The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998(not applicable to the Company during the Audit period), and;

(vi) Other Laws specifically applicable to the Company as per the representations made by the Company are listed in **Annexure I** and forms an integral part of this report.

In case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Service Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

I have also examined compliance with the applicable clause of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- b. The SME Listing agreement and SEBI (LODR) Regulations, 2015 entered in to by the Company with BSE Limited.

During the financial year under review, the Company has generally complied with the provisions of the Companies Act, 2013, Companies Act, 1956, Rules, Regulations, Guidelines, Standards, etc.

During the financial year under review, the Company has generally complied with the provisions of the Companies Act, 2013, Companies Act, 1956, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

As per Regulation 34(e) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015; the Company has not attached 'Annexure E' i.e. Management's Discussion and Analysis Report in the Annual Report for the F.Y.2017-18 which was uploaded on the website of BSE Ltd.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there was no specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read with my letter of even date which is annexed as **Annexure II** and form an integral part of this report.

Date: 13.08.2019
Place: Mumbai

For Mayank Arora & Co.
sd/-
Mayank Arora
Proprietor
C.P. No. 13609

Other Laws applicable to the Company

(A) Commercial Laws

- (i) Indian Contract Act
- (ii) Negotiable Instruments Act

(B) Immovable and Intellectual Property Laws

- (i) Bombay/Indian Stamp Act
- (ii) Trademark Law
- (iii) Rent Act

(C) Labour Laws

- (i) The Payment of Bonus Act
- (ii) The Payment of Gratuity Act
- (iii) Minimum Wages Act
- (iv) Workmen's Compensation Act
- (v) Employee Pension Scheme
- (vi) Factories Act
- (vii) The Maternity Benefit Act
- (viii) Prevention of Sexual Harassment at workplace Act
- (ix) Equal Remuneration Act
- (x) Child labour (Prohibition & regulation) Act

(E) Others

- a) Shops & Establishments Act
- b) Air Pollution Act, Water Pollution Act, Environment Protection Act, etc.

Date: 13.08.2019

Place: Mumbai

For Mayank Arora & Co.

Sd/-

Mayank Arora

Proprietor

C.P. No. 13609

To,

The Members,

KMS MEDISURGI LIMITED

297/301 May Building, Gr. Floor

Marine lines (East) Princess Street,

Mumbai – 400 002

My report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. I have reported, in my audit report, only those non-compliance, especially in respect of filing of applicable forms/documents, which, in my opinion, are material and having major bearing on financials of the Company.

Date: 13.08.2019

Place: Mumbai

For Mayank Arora & Co.

sd/-

Mayank Arora

Proprietor

C.P. No. 13609

ANNEXURE D

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- (i) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Name	Ratio
Gaurang Prataprai Kanakia (DIN: 00346180)	-
Rekha Devang Kanakia (DIN: 00346198)	1.91
Niraj Kumud Shah (DIN: 02202596)	Resigned
Siddharth Gaurang Kanakia (DIN:07595098)	0.23
Hardik Rajnikant Bhatt (DIN: 07566870)	-
Kamlesh Chunilal Rajani (DIN: 07588417)	-

For this purpose, sitting fees paid to the directors has not been considered as remuneration.

- (ii) The percentage decrease in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary if any, in the financial year:

Name	Designation	%Decrease
Gaurang Prataprai Kanakia	Managing Director	Not paid
Niraj Kumud Shah	Director	Resigned
Anand Prataprai Kanakia	CFO	Not paid
Kirity Agarwal	Company Secretary	Resigned
Swati Shah	Company Secretary	-

- (iii) The percentage increase in the median remuneration of employees in the financial year: 26.16%
- (iv) The number of permanent employees in the Company as on 31st March, 2019: 18
- (v) Average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year : 47.36%
- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company: It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other senior management is as per the remuneration policy of the Company.
- (vii) Disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: There are no employees appointed by the Company who were in receipt of remuneration of Rs. 1.20 Crores or more per Annum employed throughout the year and Rs. 8.50 Lakhs or more Per Month employed for part of the year.

Hence the Disclosure under Rule 5(2) is not applicable.

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the names of top ten employees in terms of remuneration drawn is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during business hours on working days upto the date of ensuing Annual General Meeting and shall also be made available on the website of the Company post AGM. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

ANNEXURE E

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

INDUSTRY OVERVIEW

THE MEDICAL DEVICES AND EQUIPMENT INDUSTRY

The Medical Devices and Equipment industry, valued at US\$ 2.5 billion contributes only 6% of India's US\$ 40 billion healthcare sector. Moreover, it is growing at a faster annual rate of 15% than 10-12% growth seen in the Healthcare sector in its entirety. A rise in the number of hospitals and the increased requirement for healthcare facilities creates a need for sophisticated devices and equipment, which can provide accurate treatment to individuals. The Medical Electronics segment of this industry incorporates control, conversion, sensing, processing, storage, display, and transfer of information on anatomy and physiology by making use of the Electronics and Communication Technologies. The Medical Equipment industry is quite wide with > 14,000 different products types, as per the Global Medical Device Nomenclature (GMDN). The products range from wound closure pads to stents and IVD machines of medical devices. Further, it can be reasonably said that Medical Electronics is an area, where Electronics and Information Communication Technology play a decisive role.

Moreover, significant efforts have been made in the medical technology ecosystem to stimulate innovation in this space so that the opportunities provided in the Indian market can be capitalized by the companies working in this domain and the Indian consumer of healthcare services stands to benefit.

In the past, the sector has significantly brought down the incidence of disease among patients, families, society as well as improved the country's health system, significantly. However, in India the penetration of medical devices is low and inadequate due to the barriers that prevent their usage.

BUSINESS OVERVIEW

Our Company was incorporated at Mumbai as "KMS Medisurgi Private Limited" on 25th March, 1999. We have been converted in to a Public Limited Company and consequently name was changed to "KMS Medisurgi Limited" on 15th June, 2016.

We manufacture & undertake job work of coating of various substrates like non woven fabrics, PU films, cotton fabrics, and taffeta silk fabrics with adhesive.

We are engaged into the business of ethical marketing and distribution of Surgical Disposable, Haemostat, Medical Devices, Urology Equipments, Surgery Equipments, Orthopedic/Physiotherapy Equipments, Blood Banking Equipments and other such Surgical Equipments in India.

We have been established in 1999 as surgical equipment company and since then we have been successfully launching new concepts through which have helped the Indian Healthcare industry. We bridge the gap between the world technological advancements and Indian Healthcare industry. We are government approved suppliers throughout India.

Our Mission is "To become a leading Medical Device Company specializing in the supply of value-added products contributing to public healthcare and focusing on leading surgical products with a technological edge, at competitive rates".

Our target is "To serve our customers at our very best, constantly improve and upgrade the quality of our production and organizational skills and to develop novel products."

To facilitate growth, our company has a well-established distribution and export system throughout the world.

The Quality of our products has always been our priority, thanks to our highly qualified and dedicated staff, we have maintained those standards and we will strive towards excellence in future.

We are Government approved supplier. We are representing the World Leaders in Surgical Disposables, Medical & Surgical Equipments for India as their Exclusive Distributors. We also undertake job work of coating of various substrates like non woven fabrics, PU films, cotton fabrics, taffeta silk fabrics with adhesive.

SIGNIFICANT DEVELOPMENTS

In the opinion of the Board of Directors of our Company, following significant developments were made in the last 3 financial years:

1. The company has been converted in to a public limited company vide fresh Certificate of Incorporation dated 15th June, 2016 issued by the Registrar of Companies, Mumbai, Maharashtra.
2. The company has allotted 12,00,000 Equity Shares as bonus issue in ratio of 1:1 to its existing shareholders on 20th July, 2016.
3. The shareholders approved and passed a special resolution on 8th September, 2016 to authorize the Board of Directors to raise funds by making an initial public offering.
4. The Company has given Public Issue of 9,00,000 equity shares of KMS MEDISURGI LIMITED at a price of Rs. 30 per share (the "issue price") and allotted the shares on 20th April, 2017. The shares of the Company were listed on SME Platform of BSE Limited on 24th April, 2017.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our success depends on the value, perception and marketing of our products;
- General economic and business conditions;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition in the Healthcare and surgical equipment Industry;
- Economic, Income and Demographic condition in India;

- Changes in laws and regulations that apply to Industry in which we operate;
- Any change in the tax laws granting incentives to Industry in which we operate;
- Dependency on Healthcare providers for adaptability of our products;
- Interest Rates

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
KMS MEDISURGI Limited

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KMS Medisurgi Limited having CIN L51397MH1999PLC119118 and having registered office at 297/301, May Building, Ground Floor, Princess Street, Marine Lines- (East), Mumbai- 400002 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Anand Prataprai Kanakia	AGQPK7415F	09/07/2016
2	Gaurang Prataprai Kanakia	00346180	25/03/1999
3	Rekha Devang Kanakia	00346198	17/03/2016
4	Hardik Rajnikant Bhatt	07566870	14/07/2016
5	Kamlesh Rajani Chunilal	07588417	11/08/2016
6	Siddharth Gaurang Kanakia	07595098	02/05/2018

Ensuring the eligibility of for the continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 13.08.2019
Place: Mumbai

For Mayank Arora & Co.
sd/-
Mayank Arora
Proprietor
C.P. No. 13609

CEO/CFO CERTIFICATION

**To,
The Board of Directors
KMS MEDISURGI Limited**

I, Anand Prataprai Kanakia, the Chief Financial Officer (CFO) of the Company do hereby certify to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year ending 31st March, 2019 and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting;

**Date: 30 May, 2019
Place: Mumbai**

For, KMS Medisurgi Limited

**Sd/-
Gaurang Kanakia
Managing Director & Chairman
DIN: 00346180**

Declaration on adherence to the Code of Conduct under Regulation 34 (3) and 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

As provided under Regulation 34 (3) and 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended 31st March, 2019.

Date: 30 May, 2019

Place: Mumbai

For, KMS Medisurgi Limited

Sd/-

Gaurang Kanakia

Managing Director & Chairman

DIN: 00346180

INDEPENDENT AUDITORS' REPORT

To the Members of
KMS MEDISURGI LIMITED

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone financial statements of **KMS MEDISURGI LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS OF OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independent requirement that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section (11) of section 143 of the Act (hereinafter referred to as the "Order") and on basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we refer to our separate Report in Annexure B and

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Kalpesh Jain & Associates
Chartered Accountants
Firm Registration No.: 132603W

Sd/-
Kalpesh M. Jain
Partner
Membership No. : 140164

Place : Mumbai
Date : 30th May 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditors' Report of even date to the members of the Company on the Financial Statements for the year ended 31st March, 2019

On the basis of sample checks and according to the information and explanations given to us during the course of the audit , we report that ;

- i a The company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- i b The company has regular programme of physical verification of its fixed assets by which all fixed assets are physically verified, periodically by the management. In our opinion, periodicity of physical verification is reasonable having regard to the size of the company and the nature of its business. According to the information and explanation given to us, no material discrepancies were noticed on such verification
- i c According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company
- ii. The inventory has been verified during the year by the management. The discrepancies noted on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintain under section 189 of the Companies Act, 2013. Accordingly, provisions of sub-clause iii (a), (b) and (c) are not applicable.
- iv In our opinion, and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013 in respect of grant of loans , making investments and providing guarantees and securities, as applicable.
- v The Company has not accepted any deposits from public within the meaning of Section 73, to 76 of the Act and rules framed there under to the extent notified
- vi The provisions of clause 3 (vi) of the Companies (Auditors Report) Order 2016 are not applicable to the Company.
- vii a The Company is generally regular in depositing the undisputed statutory dues including Provident Fund, , Employee's State Insurance, Income tax, Sales-tax, Service Tax, duty of Custom, duty of Excise, value added tax , Cess and any other statutory dues to appropriate authorities.
- vii b According to the information and explanations given to us, there were no dues in respect of income tax or sales tax or duty of custom or duty of excise or value added tax which have not been deposited on account of any dispute
- viii According to information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to the financial institution or banks or government as at Balance Sheet date.
- ix The Company has raised money by way of initial public offer, further public offer (including debt instruments). The company has not taken any term loans.
- x According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

- xi The Company has not paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- xii In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly paragraph 3 (xii) of the Order is not applicable.
- xiii According to the information and explanation given to us, all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.
- xvi The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

For Kalpesh Jain & Associates
Chartered Accountants
Firm Registration No.: 132603W

Sd/-
Kalpesh M. Jain
Partner
Membership No. : 140164

Place : Mumbai
Date : 30th May 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Annexure B to the Independent Auditors; Report of even date to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2019.

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **KMS MEDISURGI LIMITED**. ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3)

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kalpesh Jain & Associates

Chartered Accountants

Firm Registration No.: 132603W

Sd/-

Kalpesh M. Jain

Partner

Membership No. : 140164

Place : Mumbai

Date : 30th May 2019

KMS MEDISURGI LTD**BALANCE SHEET AS AT 31st MARCH 2019**

		Notes	Mar-19	Mar-19	Mar-18
EQUITY AND LIABILITIES					
SHAREHOLDERS FUNDS :					
Share Capital		2	33,000,000		33,000,000
Reserves & Surplus		3	29,547,413		28,513,756
				62,547,413	61,513,756
NON CURRENT LIABILITIES					
Long Term Borrowings		4		11,276,399	8,058,354
CURRENT LIABILITIES					
1) Short Term Borrowings		5	0		10,993,173
2) Trade Payables		6	29,480,301		20,517,534
3) Other Current Liabilities		7	754,479		443,372
4) Short Term Provisions		8	1,312,624		483,774
				31,547,404	32,437,853
				105,371,216	102,009,963
ASSETS					
NON CURRENT ASSETS					
<u>Fixed Assets</u>		9			
Tangible Assets				22,035,035	22,451,437
Non Current Investments		10		16,012	16,012
Long Term Loans & Advances		11		-	-
CURRENT ASSETS					
1) Inventories		12	18,099,802		12,988,403
2) Trade Receivables		13	50,507,691		46,826,525
3) Cash & Cash Equivalents		14	11,752,881		15,427,173
4) Short Term Loans & Advances		15	2,895,423		4,300,413
5) Other Current Assets		16	64,372		-
				83,320,169	79,542,514
				105,371,216	102,009,963

Notes forming part of Financial Statements

1 -39

The accompanying notes are integral part of financial statements.

As per our Report of even dated

For Kalpesh Jain & Associates

Firm Registration No : 132603W

Chartered Accountant

Sd/-

Kalpesh Jain**Partner****Membership No :140164****Mumbai, 30th May 2019**

For and on Behalf of Board of Directors

KMS Medisurgi Limited

Sd/-

Gaurang Kanakia
Managing Director

Sd/-

Siddharth Kanakia
Director

Sd/-

Anand Kanakia
CFO

Sd/-

Swati Shah
Company Secretary

KMS MEDISURGI LTD

Statement of Profit and Loss for the period ended 31st March 2019

		Mar-19	Mar-18
	Notes		
CONTINUING OPERATIONS			
INCOME :			
Revenue from Operation	17	98,569,731	73,235,947
Other Income	18	4,209,647	3,532,236
Total Revenue		102,779,378	76,768,183
EXPENSES :			
Cost of Material Consumed	19	74,152,989	53,121,149
Purchase Of Stock In Trade	20	8,017,350	4,958,188
Change in Inventories of Stock in Trade	21	(1,946,400)	(2,507,600)
Employee Benefit Expenses	22	8,244,914	5,294,555
Finance Cost	23	910,087	1,914,336
Other Expenses	24	7,062,289	7,661,243
Depreciation & amortisation expenses	9	4,268,902	4,518,823
		100,710,131	74,960,694
Profit before Extraordinary Exp.		2,069,247	1,807,489
Extraordinary Expenses		-	-
Profit before Tax		2,069,247	1,807,489
Provision for Tax		837,000	850,000
		1,232,247	957,489
Less: Prior years tax adjustments		-	-
Profit for the year		1,232,247	957,489
Basic and diluted earning per share (in `)		0.37	0.29

Significant Accounting Policies

2

Other Notes

25 to 39

The accompanying notes are integral part of financial statements.

As per our Report of even dated

For Kalpesh Jain & Associates

Firm Registration No : 132603W

Chartered Accountant

For and on Behalf of Board of Directors

KMS Medisurgi Limited

Sd/-

Kalpesh Jain

Partner

Membership No :140164

Sd/-

Gaurang Kanakia

Managing Director

Sd/-

Anand Kanakia

CFO

Sd/-

Siddharth Kanakia

Director

Sd/-

Swati Shah

Company Secretary

Mumbai, 30th May 2019

KMS MEDISURGI PRIVATE LTD
Cash Flow Statement for the year ended 31st March 2019

	2018-19		2017-18	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Exceptional Items		2,069,247		1,807,489
Adjustments for :				
Depreciation	4,268,902		4,518,823	
Interest paid	122,198		1,467,624	
Interest received	(741,771)		(1,226,266)	
(Profit) / Loss on sales of Investment	-		-	
(Profit) / Loss on sales of fixed assets (net)	-		-	
		3,649,329		4,760,181
Operating Profit before Working Capital Changes		5,718,576		6,567,670
Adjustments for :				
Increase / (Decrease) in Trade payables	8,962,767		(1,929,850)	
Increase / (Decrease) in Other Current Liabilities	311,107		(245,297)	
Increase / (Decrease) in Short Term Provisions	828,850		25,926	
(Increase) / Decrease in Inventories	(5,111,399)		(12,017,737)	
(Increase) / Decrease in Other Current Assets	(64,372)		-	
(Increase) / Decrease in Short Term Loans & Advances	1,432,194		(235,342)	
(Increase) / Decrease in Trade & Other receivables	(3,681,166)	2,677,981	(6,674,900)	(21,077,200)
Cash Generated from Operations		8,396,557		(14,509,530)
Direct taxes paid		(27,204)		(1,219,765)
Net Cash from Operating Activities	[A]	8,369,353		(15,729,295)
B CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Assets		(3,852,500)		(117,100)
Sales of Assets		-		-
Sales / (Purchases) of Investments		-		-
Interest received		741,771		1,226,266
Dividend received		-		-
Net Cash from Investing Activities	[B]	(3,110,729)		1,109,166
C CASH FLOW FROM FINANCING ACTIVATES				
Proceeds from borrowings		3,218,045		(8,189,736)
Repayment of borrowings		(10,993,173)		-
Increase in Share Capital		-		9,000,000
Increase in Share Premium		-		16,806,452
Interest Expenses		(122,198)		(1,467,624)
Dividend On Equity Shares		(165,000)		(405,000)
Dividend Distribution Tax		(33,590)		(82,449)
Net Cash Flow from Financial Activities	[C]	(8,095,916)		15,661,643
Net Cash increase/(Decrease) in cash and Cash equivalents	(A+B+C)	(2,837,292)		1,041,514
Cash and Cash Equivalents (Opening) :				
Cash on Hand	456,021		75,821	
Balance with Banks	14,971,152	15,427,173	14,309,838	14,385,659
Cash and Cash Equivalents (Closing) :				
Cash on Hand	442,802		456,021	
Balance with Banks	11,310,079	11,752,881	14,971,152	15,427,173

Notes :

1 The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 (AS3) 'Cash Flow Statement' issued by the Institute of Chartered Accountant of India.

2 Previous year's figures have been regrouped or rearranged wherever necessary.

As per our Report of even dated
As per report of even date attached
For Kalpesh Jain & Associates
Firm Registration No : 132603W
Chartered Accountant

For and on Behalf of Board of Directors
KMS Medisurgi Limited

Sd/-
Kalpesh Jain
Partner
Membership No :140164

Sd/- Sd/-
Gaurang Kanakia Anand Kanakia
Managing Director CFO

Mumbai, 30th May 2019

Sd/- Sd/-
Siddharth Kanakia Swati Shah
Director Company Secretary

KMS MEDISURGI PVT LTD

Notes to Financial Statements for the Year ended 31st March, 2019

1 SIGNIFICANT ACCOUNTING POLICIES :

- 1.1 Basis of preparation and presentation of financial statements :** The Financial Statements of the company has been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under historical cost convention.
- 1.2 Use of Estimates :** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates
- 1.3 Inventories :** Inventories consist of Raw Materials and Packing Materials, Work –In-Process, Finished goods and Stores. Inventories are valued at lower of cost and net realizable value. The cost is determined on First In First Out basis. The cost of work in process and finished goods includes material and packing cost, proportion of labour and manufacturing overheads.
- 1.4 Cash Flow Statement :** Cash Flow Statement has been prepared by adopting the Indirect Method as prescribed under para 18 of Accounting Standard-3 (AS-3) on "Cash Flow Statement".
- 1.5 Fixed Assets :** Fixed Assets are stated at Cost less accumulated depreciation and impairment provisions. The cost comprises purchase price (Net of Cenvat/Vat Credit wherever applicable) and any attributable cost of bringing the asset to its working conditions for its intended use , inclusive of financing cost till commercial production.
- 1.6 Depreciation :** Depreciation on Fixed Assets is provided over the useful life of the assets as specified in Part C of Schedule II to the Companies Act, 2013. In case of fixed assets which are added/disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/deletion.
- 1.7 Impairment of Assets :** The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances

1.8 **Investments** :Long term investments are carried at cost less provision, if any for other than temporary diminution in the value of such investments. Current investments are stated at lower of cost and fair value.

1.9 **Revenue Recognition** : Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the revenue is reliably measured

Revenue from Sale of Goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer and recorded net of returns, sales tax and other levies

1.10 **Transaction in Foreign Currency** : Foreign exchange transactions are accounted at the exchange rate prevailing at the date of the transaction. Gains and Losses resulting from settlement of such transaction and from the transaction of monetary assets and liabilities denominated in foreign currency are recognized in the statement of Profit and Loss.

1.11 **Provision for Taxation** : The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the company. Deferred Tax Assets and Liabilities are recognised on Future Tax consequences attributable to the timing differences that result between the profits offered for Income Tax and Profit as per Financial Statement. Deferred Tax assets and Liabilities are measured as per the tax rates/laws that have been enacted by the balance sheet date.

1.12 **Employees Benefits : Defined Benefit Plan**

i) Annual Contribution towards Gratuity Liability is funded with Life Insurance Corporation of India in accordance with the gratuity scheme and is absorbed in the accounts. The Company does not retain any obligation to pay further amount if insurer does not pay all future employee benefits so the plan is not treated as defined benefit plan.

ii) No provision is made for encashment of unavailed leave payable on retirement of employees.

KMS MEDISURGI LTD
Notes to Financial Statements for the Year ended 31st March 2019

				Mar-19	Mar-18
2	SHARE CAPITAL				
2.1	Authorised :				
	35,00,000 Equity Shares of Rs. 10/- each			35,000,000	35,000,000
2.2	Issued , Subscribed, & Fully Paid Up :				
	33,00,000 (Previous Year 33,00,000) Equity Shares of Rs. 10/- each			33,000,000	33,000,000
				33,000,000	33,000,000

2.3 Reconciliation of Shares outstanding at the beginning and end of the year:

Particulars		As at 31st March 2019		As at 31 March 2018	
		Number		Number	
Equity Shares at the beginning of the year		3,300,000	33,000,000	2,400,000	24,000,000
Add : Issued during the year		-	-	900,000	9,000,000
Add : Bonus Shares Issued during the year		-	-	-	-
Equity Shares at the end of the year		3,300,000	33,000,000	3,300,000	33,000,000

The Company has one class of equity shares having par value of 10 each. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to shareholding.

2.4 Details of shareholders holding more than 5% of shares as at

Name of the Shareholder		As at 31st March 2019		As at 31 March 2018	
		No of Shares held	Shares Held %	No of Shares held	Shares Held %
Moni Diamonds Ltd		634,000	19.21%	634,000	19.21%
Gaurang Kanakia		328,180	9.94%	328,180	9.94%
Anand Kanakia		337,400	10.22%	337,400	10.22%
Rekha Kanakia		442,000	13.39%	442,000	13.39%
Sushila Kanakia		440,000	13.33%	440,000	13.33%
Amrita Kanakia		168,000	5.09%	168,000	5.09%

3 RESERVES AND SURPLUS

Securities Premium Account				
Opening Balance		18,806,452		2,000,000
Additions during the year		-		18,000,000
Less : Amount Utilised for bonus shares		-		-
Less : IPO Expenses adjusted against Share Premium		-		1,193,548
			18,806,452	18,806,452
Statement of Profit & Loss				
Opening Balance		9,707,304		9,237,264
Add: Profit/(Loss) for the year		1,232,247		957,489
		10,939,551		10,194,753
Less :				
Dividend distributed to equity shareholders		165,000		405,000
Tax on Dividend		33,590		82,449
			10,740,961	9,707,304
			29,547,413	28,513,756

4 LONG TERM BORROWING

SECURED LOANS				
Vehicle Loans			2,021,118	-
		Total (A)	2,021,118	-

UNSECURED LOANS				
From Shareholders			8,335,354	7,835,354
From Others			919,927	223,000
		Total (B)	9,255,281	8,058,354
Total (A) + (B)			11,276,399	8,058,354

5	SHORT TERM BORROWING				
	SECURED LOANS				
	Working Capital Loan from Banks			-	10,993,173
				-	10,993,173

5.1 Loans repayable on demand viz Cash Credit facilities are Secured by Inventories & Book Debts, Fixed Deposits and other current assets of the Company.

6	TRADE PAYABLES				
	Outstanding Dues to Micro & Small Enterprises			1,002,180	-
	Outstanding Dues to creditors Other than Micro & Small Enterprises			28,478,121	20,517,534
				29,480,301	20,517,534

6.2 Balance of Sundry Creditors are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations.

7	OTHER CURRENT LIABILITIES				
	Other Payables			754,479	443,372
				754,479	443,372

8	SHORT TERM PROVISIONS				
	Provision for Gratuity Contribution			1,114,034	285,184
	Provision for proposed equity dividend			165,000	165,000
	Provision for tax on proposed dividend			33,590	33,590
				1,312,624	483,774

10	NON CURRENT INVESTMENTS				
	Trade - Unquoted				
	National Saving Certificates (Deposited with Govt Authorities)			16,012	16,012

11	LONG TERM LOANS & ADVANCES				
	Advance towards Factory Premises			-	-
				-	-

12	INVENTORIES				
	Stock in Trade				
	At cost or net realisable value whichever is lower				
	(As per Inventories certified by the Directors)			18,099,802	12,988,403

KMS MEDISURGI PVT LTD**NOTE 9 : FIXED ASSETS**

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 1.4.2018	ADDITIONS	DEDUC- TIONS	AS AT 31.03.2019	UP TO 1.4.2018	DEDUC- TION	FOR THE YEAR	TOTAL	AS AT 31.03.2019	AS AT 31.3.2018
Factory Building	13,979,980	-	-	13,979,980	5,475,078	-	806,107	6,281,185	7,698,795	8,504,902
Plant and Machinery	24,314,930	132,950	-	24,447,880	12,625,948	-	2,160,399	14,786,347	9,661,533	11,688,982
Vehicles	6,385,542	3,230,283	-	9,615,825	4,348,735	-	1,048,954	5,397,689	4,218,136	2,036,807
Computers	163,200	166,144	-	329,344	158,190	-	73,615	231,805	97,539	5,010
Furniture and Fixtures	314,654	28,000	-	342,654	292,639	-	6,441	299,080	43,574	22,015
Office Equipment	622,257	295,123	-	917,380	442,184	-	169,833	612,017	305,363	180,073
Electrical Fittings	47,999	-	-	47,999	34,351	-	3,553	37,904	10,095	13,648
TOTAL Rs.	45,828,562	3,852,500	-	49,681,062	23,377,125	-	4,268,902	27,646,027	22,035,035	22,451,437
PREVIOUS YEAR Rs.	45,711,462	117,100	-	45,828,562	18,858,302	-	4,518,823	23,377,125	22,451,437	

13	TRADE RECEIVABLES				
	(Unsecured, Considered Good)				
	Due for more than six months from the due date of payment			1,422,365	7,466,171
	Other trade receivables			49,085,326	39,360,354
				50,507,691	46,826,525

- 13.1 Balance of Sundry Debtors are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations.

14	CASH AND CASH EQUIVALENTS				
	Cash on Hand			442,802	456,021
	Balance with Scheduled Banks in:				
	Current Accounts			698,011	263,459
	Deposit Accounts (Pledged with banks)			8,658,589	14,363,104
	Margin Money Accounts			1,953,479	344,589
				11,752,881	15,427,173

15	SHORT TERM LOANS AND ADVANCES				
	(Unsecured, considered good)				
	Other Short Term Advances			1,509,047	2,721,921
	Advance payment of taxes (net)			342,455	315,251
	Security & Other Deposits			1,043,921	1,263,241
				2,895,423	4,300,413

- 15.1 Balance of Loans & Advances are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations.

16	OTHER CURRENT ASSETS				
	Prepaid Expenses			64,372	-
				64,372	-

17	REVENUE FROM OPERATIONS				
	Sale of Products				
	Traded Goods			91,287,846	62,587,650
	Raw Material			7,281,885	6,326,415
	Income from Job work contract			-	4,321,882
				98,569,731	73,235,947

18	OTHER INCOME				
	Interest			741,771	1,226,266
	Others			8,789	12,000
	Car Hire Charges			-	902,821
	Net Gain on Foreign Currency transaction and translations			427,020	1,391,149
	Sundry Balance written back			3,032,067	-
				4,209,647	3,532,236

19	COST OF MATERIAL CONSUMED				
	Opening Stock			10,480,803	970,666
	Add : Purchases			77,317,988	62,631,286
				87,798,791	63,601,952
	Less: Closing Stock			13,645,802	10,480,803
				74,152,989	53,121,149
20	PURCHASE OF STOCK IN TRADE				
	Purchase of Traded Goods			8,017,350	4,958,188
				8,017,350	4,958,188
21	CHANGE IN INVENTORIES OF STOCK IN TRADE				
	Opening Stock			2,507,600	-
	Closing Stock			4,454,000	2,507,600
	(Increase)/Decrease			(1,946,400)	(2,507,600)
22	EMPLOYEE BENEFIT EXPENSES				
	Salaries, Allowances & Bonus			7,091,750	4,812,675
	Contribution to Gratuity Fund			1,054,852	285,184
	Staff Welfare Expenses			98,312	196,696
				8,244,914	5,294,555
23	FINANCE COST				
	Interest On Bank Borrowings			122,198	1,467,624
	Bank Charges			787,889	446,712
				910,087	1,914,336
24	OTHER EXPENSES				
	BSE Lisiting Fees			25,000	-
	Custom Duty Paid			-	2,043,701
	Freight Charges			511,601	289,436
	Delivery ,Handling & Transportation Charges			895,512	665,268
	Job work Charges			24,290	246,272
	Printing & Stationery.			102,711	99,838
	Legal & Professional Charges.			415,000	330,362
	Postage & Telephones.			183,824	208,236
	Electricity & Fuel Charges			1,218,850	832,090
	Insurance Charges			86,812	58,547
	Repairs and Maintainence Charges			740,175	-
	Rent & Taxes			48,000	-
	Warehousing charges			364,494	-
	Software & Website Charges			92,957	-
	Sales Promotion Expenses			40,000	-
	Commission Paid			-	140,019
	Audit Fees			25,000	29,500
	Travelling and Conveyance			282,741	405,918
	Tender, Registration & Licencse Fees			119,302	41,151
	Miscellaneous expenses			1,886,020	2,270,905
				7,062,289	7,661,243

- 25 In the opinion of the Board, adequate provision has been made for all known liabilities and the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

26 DEFERRED TAX

The Company has on prudence not recognised Deferred Tax Assets of Rs. 9,34,518/- (Previous year Rs. 7,92,415/- mainly representing difference between tax and written down value of fixed assets, due to uncertainty of future profits in terms of Accounting Standards 22 (AS-22) for taxes on Income issued by The Institute of Chartered Accountant of India.

		31st March 2019	31st March 2018
	The break-up of deferred tax assets / liability		
A	Deferred Tax Assets		
	Difference between tax and Book written down value	3,024,329	2,564,451
		3,024,329	2,564,451
B	Deferred Tax Liability		
	Deferred Revenue Expenses	-	-
		-	-

C	Net Deferred Tax Assets	3,024,329	2,564,451
D	Deferred Tax Assets / (Liability)	934,518	792,415

27 EARNINGS PER SHARE :

Particulars	31st March 2019	31st March 2018
Net Profit / (Loss) as per Profit and Loss Account (A) Rs.	1,232,247	957,489
Weighted average number of shares outstanding during the period (B) Nos	3,300,000	3,300,000
Basic & Diluted Earnings per share of Rs.10 each (A/B)	0.37	0.29

28 RELATED PARTY DISCLOSURES**A Relationships****i) Key Management Personnel & Relatives**

Gaurang Kanakia - Director

Siddarth Kanakia-Director

Rekha Kanakia - Director

Anand Kanakia-Relative of the director

Amrita Kanakia - Relative of the director

KMS Manufacturing- Proprietary
firm of a director

KMS Tours & Travel-Proprietary
firm of a director

ii) Enterprise having a Common Management Personnel

Dermacare Surgicals Pvt Ltd

KMS Manufacturing Ltd

Related Party Relationship is as identified by the Company and relied on by the Auditors

B Details of Transaction with Related Parties

Nature of Transactions		For the year Ended 31st	
Transactions with A(i)		March 2019	March 2018
i)	Expenditure		
	Purchase of Goods and Materials	1,757,795	10,278,027
	Salaries	670,658	615,000
ii)	Income		
	Sales of Goods and Materials	80,897,569	54,672,502
	Jobwork Charges Received	-	4,235,451
	Car Hire Charges	-	902,821
iii)	Outstanding Balances		
	Unsecured Loan	8,335,354	7,835,354
	Sundry Debtors	42,611,489	41,780,248
Transactions with A(ii)			
i)	Purchase of Goods and Materials	3,617,995	4,531,786
ii)	Sale of Goods and Materials	70,000	208,980
iii)	Outstanding Balances		
	Sundry Debtors	70,000	-
	Sundry Creditors	681,107	1,094,489

- 30 The Company considers its entire operations under single segment namely pharmaceuticals, adhesive tapes and medical and surgical disposable products as envisaged by Accounting Standard 17 "Segment Reporting". The company operations are only in India.

31 **SALES**

Particulars	31st March 2019	31st March 2018
Surgical Products (a)	91,287,846	62,587,650

Notes :

(a) Surgical Products includes Surgipore Tapes, Absorbable Gelatin Surgical Sponge, Microporous Surgical Foam Tape, Fleece Fabric, Transparent Tape, Dressing Silicon Gel Sheet etc

32 **RAW MATERIALS CONSUMED**

Particulars	31st March 2019	31st March 2018
Non woven Fabric & Others	74,152,989	53,121,149

33 **VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED**

	%	31st March 2019	%	31st March 2018
Imported	46.88%	34,761,555	49.63%	26,365,536
Indigenous	53.12%	39,391,434	50.37%	26,755,613
	100%	74,152,989	100%	53,121,149

34 **PURCHASES**

Particulars	31st March 2019	31st March 2018
Surgical Products (a)	8,017,350	4,958,188

Notes :

(a) Surgical Products includes Surgipore Tapes, Absorbable Gelatin Surgical Sponge, Microporous Surgical Foam Tape, Fleece Fabric, Transparent Tape, Dressing Silicon Gel Sheet etc

35 **CLOSING FINISHED GOODS STOCK**

Particulars	31st March 2019	31st March 2018
Surgical Products (a)	4,454,000	2,507,600

Notes :

(a) Surgical Products includes Surgipore Tapes, Absorbable Gelatin Surgical Sponge, Microporous Surgical Foam Tape, Fleece Fabric, Transparent Tape, Dressing Silicon Gel Sheet etc

36 **VALUE OF IMPORTS ON CIF BASIS**

Particulars	31st March 2019	31st March 2018
Raw Material	34,761,555	26,365,536
Spares parts and Components	-	-
Capital Goods	-	-
	34,761,555	26,365,536

37 EARNINGS IN FOREIGN CURRENCY : Rs. NIL (Previous Year : Rs. NIL)

38 EXPENDITURE IN FOREIGN CURRENCY : Rs. NIL (Previous Year : Rs. NIL)

39 Previous Years figures have been re-grouped/re-stated wherever necessary to conform to current year's classification

The accompanying notes are integral part of financial statements.

As per report of even date attached

For Kalpesh Jain & Associates

Firm Registration No : 132603W

Chartered Accountant

For and on Behalf of Board of Directors

KMS Medisurgi Limited

Sd/-

Kalpesh Jain

Partner

Membership No :140164

Sd/-

Gaurang Kanakia

Managing Director

Sd/-

Anand Kanakia

CFO

Mumbai, 30th May 2019

Sd/-

Siddharth Kanakia

Director

Sd/-

Swati Shah

Company Secretary



KMS MEDISURGI LIMITED

CIN: L51397MH1999PLC119118

Regd Office :Plot No-297/301 May Building, Gr. Floor Marine lines (EAST), Princess Street,
Mumbai City MH 400002 IN

Ph-022-66107700/22,022-67498822,

Facsimile: +91-22-22061111,

Website: -www.kmsgroup.in,

E-mail Id:- info@kmsgroup.in

21st Annual General Meeting

Proxy Form

(Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies
(Management and Administration) Rules, 2014-Form No. MGT-11)

Name of the Member(s)-
Registered Address-
E-mail ID -
Folio No/Client ID-
DP ID-

I/We, being the member(s) holding _____ shares of the above named Company.
Hereby appoint

Name:	E-mail Id:
Address:	
Signature:	

Or failing him/her

Name:	E-mail Id:
Address:	
Signature:	

Or failing him/her

Name:	E-mail Id:
Address:	
Signature:	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual
General Meeting of the company, to be held on **Monday, 30th September, 2019 at 11:30 a.m.** at
297/301, May Building, Ground Floor, Princess Street, Marine lines- (EAST), Mumbai-

400002, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	Vote	
		For	Against
1.	Adoption of Balance sheet as at 31 st March, 2019 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon (Ordinary Resolution)		
2.	Declaration of Dividend (Ordinary Resolution)		
3.	Re-appointment of M/s Rekha Devang Kanakia (DIN: 00346198) as a Director liable to retire by rotation. (Ordinary Resolution)		

Signed this ____ day of _____ 2019

Signature of Member

Signature of Proxy holder(s)

**Affix revenue
Stamp of not
less than Rs. 1**

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. For, the resolutions statement setting out material facts concerning items of special business, please refer the Notice Convening 21st Annual General Meeting.



KMS MEDISURGI LIMITED

CIN:

L51397MH1999PLC119118

Regd Office :Plot No-297/301 May Building, Gr. Floor Marine lines (EAST), Princess Street,
Mumbai City MH 400002 IN

Ph-022-66107700/22,022-67498822,

Facsimile: +91-22-22061111,

Website: -www.kmsgroup.in,

E-mail Id:- info@kmsgroup.in

21st Annual General

Meeting ATTENDANCE

SLIP

(To be presented at the entrance)

21st Annual General Meeting on Monday, 30th September, 2019

At 11:30 am at the **297/301 May Building, Ground Floor, Princess Street, Marines Lines- (East), Mumbai- 400002, Maharashtra, India.**

Folio No. _____ DP ID: _____ Client ID No. _____

Name of the Member: _____ Signature: _____

Name of the Proxy holder: _____ Signature: _____

I/We hereby record my/our presence at the **21st Annual General Meeting** of the Company being held on **Monday , 30th September, 2019 at 11:30 am** at 297/301 May Building, Ground Floor, Princess Street, Marine Lines- (East), Mumbai- 400002, Maharashtra, India.

Note: -Members are requested to bring their copies of Annual Report to the Meeting