

KMS MEDISURGI LIMITED ANNUAL REPORT FINANCIAL YEAR 2019-20

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CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Mr. Gaurang Prataprai Kanakia

Chairman & Managing Director

(DIN: 00346180)

2. Mrs. Rekha Devang Kanakia

Non-Executive Non-Independent Director

(DIN: 00346198)

3. Mr. Siddharth Gaurang Kanakia

Executive Non-Independent Director

(DIN: 07595098)

4. Mr. Hardik Rajnikant Bhatt

Independent Director (DIN: 07566870)

5. Mr. Kamlesh Rajani Chunilal

Independent Director (DIN: 07588417)

6. Pratik Pravin Tarpara

Independent Director (DIN: 08689556)

KEY MANAGERIAL PERSONNEL

1. Mr. Anand Prataprai Kanakia

Chief Financial Officer

2. Ms. Pallavi Pravin Lakdawala

Company Secretary cum Compliance Officer

SENIOR MANAGEMENT

1. Ms. Monali Gaurang Kanakia

Senior Associate

STATUTORY AUDITORS

Kalpesh Jain & Associates

Chartered Accountants

SECRETARIAL AUDITORS

Mayank Arora & Co.

Company Secretaries

INTERNAL AUDITORS

Mayur Mahesh Shah & Co.

Chartered Accountants

REGISTERED OFFICE

297/301, Ground Floor, May Building, Princess Street, Marine Lines (East), Mumbai 400 002

Contact No.: 022-66107722 Email ID: info@kmsgroup.in Website: www.kmsgroup.in Fax No.: +91-22-22061111

REGISTRAR AND SHARE TRANSFER AGENT

Kfin Technologies Private Limited

Karvy Selenium Tower B, Plot 31-32,

Gachibowli, Financial District, Nanakramguda,

Hyderabad, Karnataka 500032 **Contact No.:** +91 40 67161524 **Email ID:** einward.ris@kfintech.com

Website: www.kfintech.com

MESSAGE FROM PROMOTER DIRECTORS

The Healthcare Industry is growing at a rapid pace and so is the need for better quality medical devices. Our company KMS Medisurgi Limited has a strong footing in the industry. We laid our foundation with the purpose of making latest medical devices and surgical disposable items available to every part of the nation, to every possible healthcare professional and centers and that too, at competitive prices. And with our consistent efforts, our passion and our wide spread network, we have successfully actualized our dream.

Having said that, this is only the initial phase of our voyage. We intend to take spread our wings to B2B segment and manufacture products that are usable for surgical manufacturing industry as well and in this pursuit, we have adapted novel technologies, high-end machineries, research centers, which help us to develop new product.

We are committed to high standards and this is reflected in our endeavor, be it the quality of our products, services, our infrastructure or the safety compliances we incorporate in our premises.

We appreciate the support from our team, our customers, our associates and partners who have been an integral part of our success journey.

We envision more successes to celebrate together, more contribution to the industry and mankind.

Thank You.

Sd/-

Gaurang Prataprai Kanakia Managing Director (DIN: 00346180)

BOARD OF DIRECTORS

1. Gaurang Prataprai Kanakia (Managing Director)

Mr. Gaurang Prataprai Kanakia (DIN: <u>00346180</u>) has over 30 years of experience in the field of surgical products. He has also spent over 10 years in leading a business of import and export of diamonds. He has been instrumental in the setting up and expansion of the core business activities. Being the Founder and Chairman of KMS Group, he has always given the utmost priority towards growth of the business. Inspiring Team work and effective leadership in the Organisation has always been his motto.

Through various capacities he has spearheaded the success of KMS Group.



2. Rekha Devang Kanakia (Non-Independent Executive Director)

Mrs. Rekha Devang Kanakia (DIN: <u>00346198</u>) has over two decades of experience in the field of Healthcare Management. She has been deeply involved in creating innovative solutions and establishing avenues that promotes healthcare. Curing allergies, working on addictions and stress related diseases has always been her forte.



3.Siddharth Gaurang Kanakia (Non-Independent Non-Executive Director)

Siddharth Gaurang Kanakia (DIN: <u>07595098</u>) holds a masters Degree from the University of Mumbai. Having over 5 Years of experience in the field of Marketing and Management, he has been actively involved in handling various business projects and tenders including Government tenders. Through his street smartness, he enables the Company to gain a competitive advantage over others in terms of manufacturing ideas, supplies and even technology.



4. Kamlesh Rajani Chunilal (Independent Director)

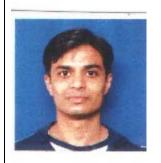
Mr. Kamlesh Rajani Chunilal (DIN: <u>07588417</u>) has over 12 years of experience in the field of Administration, Finance and Securities Market. Mr. Kamlesh has been acting as an Independent Director of the Company since the year 2016. He has an incredible knowledge about the medical devices and surgical equipments.



5. Hardik Rajnikant Bhatt (Independent Director)

Mr. Hardik Rajnikant Bhatt (DIN: <u>07566870</u>) has over 8 years of experience in the field of Capital Market.

He has been acting as an Independent Director of the Company since the year 2016. He holds an expertise degree in the Finance and Accounts



6. Pratik Pravin Tarpara (Additional Director) (Independent Director)

Mr. Pratik Pravin Tarpara (DIN: <u>08689556</u>) has completed his Bachelors in Accounting and Finance from Thakur College, Mumbai. He has excellent academic records. He has also cleared FRM Part 1 (GARP USA) in the year 2016 and has also cleared CFA Level II in the same year. Mr. Pratik has a good professional experience in the field of Accounts, Tax, Securities Market, Finance, Research, etc). Currently, he is working as a Financial Analyst in eClerx Services Limited, an Investment Banking Company.





NOTICE

Notice is hereby given that 22ND Annual General Meeting of the members of KMS MEDISURGI LIMITED- will be held on Wednesday, 30th September, 2020 at 04:00 p.m. through ZOOM Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") in accordance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular No. 20/2020, 14/2020 and 17/2020 dated 5th May, 2020, 8th April, 2020 and 13thApril, 2020 respectively, to transact the following businesses:-

ORDINARY BUSINESS:

1. Adoption of Financial Statement

To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon; (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of 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 2019-20.

3. Re- appointment of as a Director liable to retire by rotation

To appoint Director in place of Mr. Siddhartha Gaurang Kanakia (DIN: 07595098), who retires by rotation and being eligible, offers himself for appointment.

Special Business

Place: Mumbai

1. Appointment of Mr. Pratik Pravin Tarpara (DIN: 08689556) as a Director.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:

"RESOLVED THAT Mr. Pratik Pravin Tarpara (DIN: 08689556) who was appointed as an Additional Director of the Company w.e.f. 12th February, 2020 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 122 of the Article of Association of the Company and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors and being eligible, offers himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Tarpara's candidature for the office of the Director, be and is hereby appointed as a Director of the Company, with effect from the date of this Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution

Date: 07-09-2020 For KMS MEDISURGI LTD

Sd/-

GAURANG KANAKIA
(Managing Director and Chariman)
(DIN: 00346180)

NOTES:

- 1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 34th AGM of the Company is being conducted through VC / OAVM, which does not require physical presence of members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC / OAVM.
- 2. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. The facility for appointment of proxies will not be available for the AGM and hence the Proxy form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes..
- 3. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company 297-301, May Building, Ground Floor, Princess Street, Marine Lines, Mumbai-400002, which shall be the deemed venue of AGM.
- 4. The instructions for participation by Members are given in the subsequent paragraphs.
- 5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast500 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 6. The presence of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- 8. Members may note that the details of the Director seeking re-appointment as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) forms an integral part of the notice. Requisite declarations have been received from the Director for seeking his / her re-appointment.
- 9. Relevant documents and registers will be available for inspection by the members at the Registered Office of the Company on the date of AGM.
- 10.In case of joint holders attending the Meeting, the first holder as per the Register of Members of the Company will be entitled to vote.
- 11.Electronic copy of the Notice is being sent to all the Members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Notice is being sent in the permitted mode. Members may note that this Notice will also be available on the Company's website i.e.
- 12. The Corporate Members intending to send their authorized representative(s) to attend the AGM are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the AGM.
- 13. The register of members and transfer books of the company shall remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive) for this Annual General Meeting and for determining the names of members eligible for dividend on Equity Shares, if declared at a meeting.

- 14. The Annual Report of the Company, circulated to the Members of the Company will also be made available on the Company's website at www.kmsgroup.in
- 15.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 to its Shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- 1. Members may access the platform to attend the AGM through VC by using the credentials attached with the notice.
- 2. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such scheduled time.
- 3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- 4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- 7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time as appropriate for smooth conduct of the AGM.

BOARD OF DIRECTOR'S REPORT

To,

The Members,

KMS MEDISURGI LIMITED

Your Directors have pleasure in presenting their 22nd Annual Report on the business and operation of the company and the accounts for the financial year ended **31st March**, **2020**.

1. FINANCIAL RESULTS

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

Sr. No.	Particulars	31.03.2020	31.03.2019
		(Rs.)	(Rs.)
1.	Revenue from operations	103,441,044	98,569,731
2.	Other Income	(32,034)	(42,09,647)
3.	Total Revenue	103,409,010	102,779,378
4.	Less: Expenses	101,585,234	100,710,131
5.	Profit beforeTax	1,823,776	2,069,247
6.	Provision for Tax	7,00,000	8,37,000
9.	Profit afterTax	1,123,776	1,232,247

2. FINANCIAL HIGHLIGHTS

During the financial year ended 31st March, 2020, the total revenue was Rs 103,409,010 /- as against Rs.102,779,378 in the previous year. For March 31, 2020, Company's Net Profit after tax was Rs. 1,123,776/- as against Rs.1,232,247-/- in the previous year.

3. TRANSFER TO RESERVES

The Company has transferred Rs. 1,123,776/- 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 is 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 2020 subject to the approval of Members at the Annual General Meeting on 30th September 2020.

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. NAMEOFTHECOMPANIES, WHICHHAVEBECOMEOR CEASED TO BESUBSIDIARIES, 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 PARTYTRANSACTIONS

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. SIGNIFICANTAND 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 2019-20.

13. DIRECTORS

Retire by Rotation-Siddharth Gaurang Kanakia

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms, Siddharth Gaurang Kanakia, Director (DIN: 07595098) of the company is liable to retire by rotation in the 22nd Annual General Meeting and being eligible, she offer herself for re- appointment.

Appointment & Resignation:

Mr. Pratik Pravin Tarpara appointed as an additional Director w.e.f. 12th February, 2020.

14. KEY MANAGERIALPERSONNEL

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, 2020 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.

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, it's 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 2020, 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 (Expired on 9th July, 2019)
8.	Mr. Pratik Pravin Tarpara	08689556	Non-Executive Independent Director
9.	Akriti Pathak	FJTPP4587A	Company Secretary & Compliance officer Resigned on Dec 5, 2019
10	Avni Barai	BVGPB4636R	Company Secretary & Compliance officer Resigned on Feb 21, 2020

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 (2019-20)

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

Sr. No	DateofMeetings
1.	11.04.2019
2.	03.05.2019
3.	30-05-2019
4.	13.08.2019
5.	28.09.2019
6.	14.11.2019
7.	12.12.2019
9.	28.12.2019
10.	12.02.2020

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

Sr. No.	Name of Director	CategoryofDirector	No. of Board Meetings attended	Attendance at the last AGM
1	Gaurang Prataprai Kanakia (DIN: 00346180)	Chairman and Managing Director	10	Yes
2	Rekha Devang Kanakia (DIN: 00346198)	Woman Non- Executive Director	10	Yes
3	Mr. Pratik Pravin Tarpara (DIN 08689556)	Non-Executive Independent Director	0	NO
4	Hardik Rajnikant Bhatt (DIN: 07566870)	Independent Director	10	Yes
5	Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director	10	Yes
6	Anand Prataprai Kanakia	CFO(KMP)	10	Yes
7	Siddharth Gaurang Kanakia (DIN: 07595098)	Non-Executive Non Independent Director	10	Yes

18. MEETING OFMEMBERS

During the year, 21st Annual General Meeting of the Company was held on 30th September 2019.

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 2019-2020, three meeting of the Audit Committee were held on 30-05-2019, 05-09-2019, 14-11-2019 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	Positionin	No. of Meetings
			committee	Attended
1	Hardik Rajnikant Bhatt(DIN:	Independent	Chairman	3
	07566870)	Director		
2	Kamlesh Chunilal Rajani (DIN:	Independent	Member	3
	07588417)	Director		
3	Siddharth Gaurang Kanakia (DIN:	Non-Executive Non	Member	3
	07595098)	Independent Director		

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 2019-2020, two meetings of the Nomination & Remuneration Committee was held on 28-09-2019 and 12-02-2020 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	Positionin	No. of Meetings
			committee	Attended
1	Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director	Chairman	2
2	Rekha Devang Kanakia (DIN: 00346198)	Non-Executive Non Independent Director	Member	2
3	Hardik Rajnikant Bhatt (DIN:07566870)	Independent Director	Member	2

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 RelationshipCommittee

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 2019-2020, five meetings of the Stakeholder's Relationship Committee were held on 30-05-2019, 13-08-2019, 05-09-2019, 14-11-2019, 12-02-2020 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	Positionin committee	No. of Meetings Attended
1	Kamlesh Chunilal Rajani (DIN:07588417)	Independent Director	Chairman	5
2	Hardik Rajnikant Bhatt (DIN:07566870)	Independent Director	Member	5
3	Gaurang Prataprai Kanakia (DIN: 00346180)	Managing Director	Member	5

Details of Shareholders" Complaints Received, Solved and Pending as on March 31, 2020

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, 2020.

D. Independent DirectorMeeting

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.

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

Sr. No	DateofMeetings
1.	22-02-2020

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
3	Mr. Pratik Pravin Tarpara (DIN 08689556)	Independent Director	Member	1

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 THEREPORT

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' RESPONSIBILITYSTATEMENT

- 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, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2020 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 Observations	Managements Comments
As per requirement of SEBI (LODR), Regulations, 2015; the Audit Committee should meet 4 times in a year, however, during the year under review they met only 3 times that is on 30th May 2019, 5th September 2019 & 14th November 2019	This was due to the death of one of our company secretary and COVID 19 disruptions the audit committee could not meet the required number of times
The shareholding pattern to be submitted to Stock exchange was not filed within due date for quarter ended June 2019. However, filing was done on 22nd July 2019.	There was some internal error while uploading the pattern but the same was corrected the subsequent day.
During the year, RTA of the Company informed that they had not received any demat/remat request and the same is not applicable to the Company. The Company has not filed the said certificate for any quarter during the year under review.	Company shares are fully dematerlised and hence demat\remat is not applicable and hence filing of said certificate is not necessitated.
The Company has not furnished us acknowledgement for intimation to Stock Exchange by the Promoters.	The company secretary due to oversight must have forgotten to furnish the acknowledgement but we have already furnished in the first quarter of FY 20-21
The listed entity shall maintain a functional website containing the basic information about the listed entity and it should disseminate information as per Regulation 46 (2) The Company has not updated its website as per the requirements of LODR and the Companies Act, 2013	The company is in the process of changing the website caretaker and the same shall be corrected henceforth.

(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 2019-20.

(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 2019-20 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. VIGILMECHANISM (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 2019-20.

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 OFSHARES

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

32. SEXUALHARASSMENT

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.

35. 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. 2019-20. 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.

36. SECRETARIAL STANDARDS:

During the Financial Year 2019-20, 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.

37. SHARE TRANSFERSYSTEM:

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, Telangana – 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.

38. SHARE CAPITALAUDIT:

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.

39. INVESTORS CORRESPONDENCE:

40. 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: 07-09-2020 For KMS Medisurgi Ltd

Place: Mumbai sd/-

Mr. Gaurang Prataprai Kanakia

Managing Director & Chairman (DIN:00346180)

FORMAOC-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 subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

${\tt 1.} \ \ Details of contracts or arrangements or transactions not a tarm's length basis$

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	Dateonwhichthespecialresolutionwaspassedingeneralmeetingasrequired under first Proviso to section 188	NA

${\tt 1.} \ \ Details of material contracts or arrangement or transactions at arm's length basis:$

During the year, the following transaction took place:

SL NO	Name(s) of the related party & nature of relationship	Nature of contracts /arrangements/ transaction	Duration of the contracts/ arrangeme nts/transa ction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advance s, ifany
1.	Dermacare Surgicals Pvt. Ltd.	Purchase of Goods and Materials	1 year	50,00,000/-	11-04-2019	NA
2.	Dermacare Surgicals Pvt. Ltd.	Sale of Goods and Materials	1 year	5,00,000/-	11-04-2019	NA
3.	KMS Manufacturing Co	Purchase of Goods and Materials	1 year	1,10,00,000/-	11-04-2019	NA
5.	KMS Manufacturing Co	Sales of Goods and Materials	1 year	5,50,00,000/-	11-04-2019	NA
6.	KMS Manufacturing Co	Job work	1 year	50,00,000/-	11-04-2019	NA
7.	KMS Tours & Travels	Car Leasing Income	1 year	10,00,000/-	11-04-2019	NA

ANNEXURE-B FORM MGT-9 EXTRACT OF ANNUAL RETURN

ANNEXURE B

FORM MGT- 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2020 [Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I <u>REGISTRATION AND OTHER DETAILS:</u>

		7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7
i.	CIN	L51397MH1999PLC119118
ii.	Registration Date	25/03/1999
iii.	Name of the Company	KMS MEDISURGI LIMITED
iv.	Category/Sub-CategoryoftheCompany	Company Limited by Shares/Indian Non- Government Company
v.	Address of the Registered office and	297/301 May Building, Gr. Floor Marine lines(East) Princess Street
	contact details	Mumbai – 400002
vi.	Whether listed company	YES (Listed on 24th April 2017)
vii.	Name, Address and Contact details of	Karvy Computer Share Pvt. Ltd. Karvy Selenium Tower B,
	Registrar and Transfer Agent, if any	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. PRINCIPALBUSINESSACTIVITIES OF THE COMPANY

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

Sr. No	Name and Description of main products/ services	NIC Codeof the Product/ service*	%tototalturnoverofthe 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

$\hbox{\tt III.} \ \underline{\textbf{PARTICULARSOFHOLDING, SUBSIDIARYANDASSOCIATECOMPANIES}}$

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

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

i. Category-wise ShareHolding

Category of Shareholders	No. of S beginning		eld at th r	e	No.ofSharesheldattheendoftheyear				% Change during the year
	Demat	Physic al	Total	% of Total Share s	Dem at	Physic al	Total	% of Total Share s	
A. Promoter									
1) Indian	-								
a) Individual/ HUF	1822000	-	1822000	55.21	1822000	-	1822000	55.21	
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):-	2456000	-	2456000	74.42	2456000	-	2456000	74.42	
2) Foreign									
a) NRIs- Individual s	-	-	-	-	-	-	-	-	-
b) Other- Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-

Category of	No. of Share	sheld at tl	he		No.ofShar	eshelda	tthe end of t	heyear	%
Shareholders	beginning (oftheyear	ŗ						Change during the year
	Demat	Physic al	Total	% of Total Share s	Demat	Physic al	Total	% of Total Share s	
Sub-total(A)(2):-									
Total Shareholding of promoter (A) =(A)(1)+(A)(2)	2456000		2456000	74.42	2456000		2456000	74.42	
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.	260000	-	260000	7.88	264000	-	264000	8.00	0.12
(i) Indian									
(ii) Overseas b) Individuals (i) Individual shareholders holding nominal share capital upto	136000	-	136000	4.12	232000	-	232000	7.03	2.91
Rs. 1 lakh									

Category of Shareholders	I		esheld at the goftheyear		No.ofSh	No.ofSharesheldattheendoftheyear			
	Demat	Physic al	Total		Demat	Physic al	Total		Demat
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs	448000	-	448000	13.58	348000	-	348000	10.55	-3.03
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	844000	-	844000	25.58	844000	-	844000	25.58	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	844000	-	844000	25.58	844000	-	844000	25.58	
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.	Shareholder's	Sharehold	ling at the begi	nning of	Sharehol	dingattheend	ofthe	
No	Name		the year			year		
		No. of	% of	%of	No. of	% of	%of	%
		Shares	total	Shares	Shares	total	Shares	change
			Shares of	Pledged/		Shares of	Pledged	change in
			the	encumbe		the	/	share
			company	red to		company	encumb	holding
				total		1 ,	ered to	during
				shares			total	the year
				~			shares	v
A. In	dividuals							
1	Gaurang Prataprai	3,28,180	9.94%	-	3,28,180	9.94%	-	-
	Kanakia							
2	Anand Prataprai	3,37,400	10.22%	-	3,37,400	10.22%	-	-
	Kanakia							
3	Rekha Devang	4,42,000	13.39%	-	4,42,000	13.39%	-	-
	Kanaki							
4	Sushila Prataprai	4,40,000	13.33%	-	4,40,000	13.33%		-
	Kanakia							
5	Amrita Gaurang	1,68,000	5.09%	-	1,68,000	5.09%	-	-
	Kanakia							
6	Monali Gaurang	28,210	0.85%	-	28,210	0.85%		
	Kanakia							
7	Kaushali	28,210	0.85%	-	28,210	0.85%	-	
	Gaurang							
	Kanakia							
8	Siddharth	50,0000	1.52	-	50,0000	1.52		-
	Prataprai							
D.F.	Kanakia							
	dy Corporate	C 24 000	10.210/	1	C 24 000	10.210/	1	
	Moni Diamonds	6,34,000	19.21%	-	6,34,000	19.21%	-	-
	Ltd.							

iii. Change in Promoter and Promoters group Shareholding

Sr. No	Name of Shareholders	Shareholding at the beginning of the year 01.04.2019		Shareholding at year 31.	t the end of the .03.2020
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
			N.A		

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

					beginni	ding at the	Cumulative Shareholding during	
Sl no	Folio/Dp id- Client id	Category	Type	Name of the Share Holder	Year No of Shares	% of total shares of the company	the Yea No of Shares	% of total sharesof the company
1	AAKCM4324J	LTD	Opening Balance - 30/03/2019	'MOTIVE BROKING & ADVISORY PRIVATE LIMITED	140000		140000	4.24
			Closing Balance - 31/03/2020				140000	4.24
2	AACCN6196R	LTD	Opening Balance - 30/03/2019	NAYSAA SECURITIES LIMITED	108000	3.27	108000	3.27
	26/07/2019		Sale		-8000	0.24	100000	3.03
	21/02/2020		Purchase		8000	0.24	108000	3.27
	20/03/2020		Sale		4000	0.12	104000	3.15
	30/03/2019		Closing Balance - 31/03/2020				104000	3.15
3	ABUPL8783C	PUB	Opening Balance 30/03/2019	ASHOK BABUBHAI LADE	64000	1.94	64000	1.94
	02/08/2019		Purchase		4000	0.12	68000	2.06
			Closing Balance - 31/03/2020				68000	2.06
4	AKNPD0415D	PUB	Opening Balance 30/03/2019	DODIA GITA HITESH	60000	1.82	60000	1.82
	31/05/2019		Sale		8000	0.24	52000	1.58
	06/12/2019		Sale		8000	0.24	44000	1.33
	24/01/2020		Sale		8000	0.24	36000	1.09
	07/02/2020		Sale		16000	0.48	20000	0.61
	28/02/2020		Sale		20000	0.61	0.00	0.00
	31/03/2020		Closing Balance - 31/03/2020				0.00	0.00

	AAJHN0449R	HUF	Opening Balance 30/03/2019	NAWAL AGRAWAL	44000	1.33	44000	1.33
	31/05/2019		Purchase		4000	0.12	48000	1.45
	02/08/2019		Purchase		20000	0.61	68000	2.06
			Closing Balance - 31/03/2020				68000	2.06
	AGWPJ0234B	PUB	Opening Balance 30/03/2019	YAGNESH MANAHARLAL JOSHI	40000	1.21	40000	1.21
	17/05/2019		Purchase		12000	0.37	52000	1.58
			Closing Balance - 31/03/2020				52000	1.58
7	AACPS0373G	PUB	Opening Balance 30/03/2019		36000	1.09	36000	1.09
			Closing Balance - 31/03/2020				36000	1.09
	AKRPM2384E	PUB	Opening Balance	LALBAHADUR RUDRAMANI MISHRA	0	0.00	0	0.00
	06/12/2019		Purchase		8000		8000	0.24
	31/01/2020		Purchase		8000		16000	0.48
	07/02/2020		Purchase		8000		24000	0.73
	31/03/2020		Purchase		8000		28000	0.85
	31/03/2020		Closing Balance - 31/03/2020				28000	0.85
'	AACPS0400L	PUB	Opening Balance 30/03/2019	KIRIT DEEPCHAND SANGHVI	24000	0.73	24000	0.73
			Closing Balance - 31/03/2020				24000	0.73
0	AFZPS3421H	PUB	Opening Balance 30/03/2019	JIGNESH KIRIT SANGHAVI	24000	0.73	24000	0.73
			Closing Balance - 31/03/2020				24000	0.73

${\bf Shareholding\,of\,Directors\,and\,Key\,Managerial\,Personnel:}$

Sr, No	Name of Shareholders	Shareholding at the beginning of the year 01.04.2019		Shareholding at the end of the year 31.03.2020	
		No. of Shares	% of total shares	No. of Shares	% of total shares
			ofthecompany		of the company
1	Gaurang Prataprai Kanakia	328180	9.94%	328180	9.94%
2	Anand Prataprai Kanakia	337400	10.22%	337400	10.22%
3	Rekha Devang Kanakia	442000	13.39%	442000	13.39%
4.	Siddharth Gaurang Kanakia	50000	1.52%	50000	1.52%

v. <u>INDEBTEDNESS</u>

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 ii) Interest due but not paid iii) Interest accrued but not	2,021,118	9,255,281 - -		11,276,399
Total (i+ii+iii) Change in Indebtedness	2,021,118	9,255,281		11,276,399
during the financial year - Addition - Reduction	7,260,91	5,081,85 -	-	5,081,85 7,260,91
Net Change	7,260,91	5,081,85	-	
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	1,295,027 - -	9,763,466 - - -	- - -	11,058,493 - - -
Total (i+ii+iii)	1,295,027	9,763,466		11,058,493

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

$\underline{\textbf{A}} \ \ \underline{\textbf{Remuneration to Managing Director, Whole-time Directors and/or Manager}}$

Sl.	Particulars of Remuneration	Name of			Total
No.		MD/WTD/Manager			Amount
		Gaurang	Rekha	Siddharath	
		Prataprai	Devang	Kanakia	
		Kanakia	Kanakia		
1.	Gross salary	-	9,75,000	-	9,75,000
	(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				
	undersection17(3)Income-				
	taxAct,1961				
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission				
	- as % of profit	-	-		-
	- others, specify	-			-
5.	Others, please specify		-		_
6.	Total(A)	-	9,75,000		9,75,000
	Ceiling as per the Act		Within Limits		

$\underline{\mathtt{B}} \ \ \underline{\textbf{Remuneration} \ to} \ \underline{\textbf{Key Managerial Personnel Other Than MD/Manager/WTD}}$

Sl.	Particulars of Remuneration	Key Managerial Personnel		
no.				
		Company	CFO	Total
		Secretary*	Anand Prataprai Kanakia	
1.	Gross salary	2,50,000	-	2,50,000
	(a)Salary as per provisions			
	contained in section17(1)of			
	the			
	Income-tax Act,1961	-		
	(b) Value of			
	perquisites u/s			
	17(2)Income-tax Act,1961			
		-		
	(c) Profitsinlieuof			
	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	2,50,000	-	2,50,000

^{*}Swati Shah, Akrit Pathak, Avni Barai

${\bf c.} \ {\bf Remuneration} \ {\bf to} \ {\bf other} \ {\bf independent} \ {\bf directors}$

Name of the Directors	Amount
Kamlesh Chunilal Rajani (DIN: 07588417)	NIL
Hardik Rajnikant Bhatt (DIN: 07566870)	NIL
Pratik Pravin Tarpara (DIN 08689556)	NIL

VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFOFFENCES:

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

Date: 07-09-2020 For KMSMedisurgi Limited

Place: Mumbai

Sd/-

Mr. Gaurang Kanakia

Managing Director & Chairman (DIN: 00346180)

Mayank Arora & Co.

Company Secretaries

Office no. 268, 2nd Floor, Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai - 400 063. India

Mob: +91 9773398470 +91 9324254455 Tel: +91 2249735566

Email: cs@mayankarora.co.in Website: www.mayankarora.co.in

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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.

Due to the current nationwide lockdown arising out of COVID-19 pandemic, we have examined the papers, minute books, forms, returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 provided to us through electronic mode. No physical verification of any document / record was possible.

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, 2020, 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) 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;
- (vii) Other Laws applicable to the Company as per the representations made by the Company are as follows:
 - (a) The Shops & Establishment Act, 1948 and rules made thereunder;
 - (b) Finance Act, 2004;
 - (c) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder;
 - (d) Professional Tax Act, 1975.
 - (e) Negotiable Instruments Act, 1881.

In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Custom Acts 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.

1. Observations made on SEBI regulations are as follows-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 18(2) of SEBI (LODR) Regulations, 2015	Failure in conducting 4 Audit Committee meetings during the year	As per requirement of SEBI (LODR), Regulations, 2015; the Audit Committee should meet 4 times in a year, however, during the year under review they met only 3 times that is on 30 th May 2019, 5 th September 2019 & 14 th November 2019
2.	Regulation 31 of SEBI (LODR) Regulations, 2015	Delay in submitting Shareholding Pattern of the Company to Stock Exchange	The shareholding pattern to be submitted to Stock exchange was not filed within due date for quarter ended June 2019. However, filing was done on 22nd July 2019.
3.	Regulation 74 (5) of SEBI (Depositories and Participants) Regulations, 2018	Non filing of certificate with the stock exchange	During the year, RTA of the Company informed that they had not received any demat/remat request and the same is not applicable to the Company. The Company has not filed the said certificate for any quarter during the year under review.
4.	Regulation 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011	Non furnishing of disclosure	The Company has not furnished us acknowledgement for intimation to Stock Exchange by the Promoters.
5.	Regulation 46 under SEBI Listing Regulations 2015 (LODR) - Website	The Company has not updated its website	The listed entity shall maintain a functional website containing the basic information about the listed entity and it should disseminate information as per Regulation 46 (2) The Company has not updated its website as per the requirements of LODR and the Companies Act, 2013

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 were no instances of:

- I. Public / Rights / debentures / sweat equity.
- II. Buy-Back of securities.
- III. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- IV. Merger / amalgamation / reconstruction etc.
- V. Foreign technical collaborations

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

Date: 03/09/2020 Place: Mumbai

For Mayank Arora& Co.

Mayank Arora **Proprietor** M. No- F10378 C.P. No. 13609 UDIN: F010378B000653889

P.R NO:-679/2020

Note: The COVID-19 outbreak was declared as a global pandemic by the World Health Organization.

On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by the State Government and Central Government to contain the spread of the virus. Hence, due to COVID19 pandemic impact, the compliance documents for the review period were obtained through electronic mode and verified with requirements

ANNEXURE- I TO SECRETARIAL AUDIT REPORT

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: 03/09/2020 Place: Mumbai For Mayank Arora& Co.

Mayank Arora Proprietor M. No- F10378 C.P. No. 13609

UDIN: F010378B000653889

P.R NO:-679/2020

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)	2.3
Siddharth Gaurang Kanakia (DIN:07595098)	-
Hardik Rajnikant Bhatt (DIN: 07566870)	-
Kamlesh Chunilal Rajani (DIN: 07588417)	-
Pratik Pravin Tarpara (DIN 08689556)	-

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
Anand Prataprai Kanakia	CFO	Not paid
Swati Shah	Company Secretary	NIL
Akriti Pathak	Company Secretary	NIL
Avnni Barai	Company Secretary	NIL

- (iii) The percentage increase in the median remuneration of employees in the financial year: 26.45%
- (iv) The number of permanent employees in the Company as on 31st March, 2020: 19 (NINETEEN)
- (v) Average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year:
- (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 up to 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Mayank Arora& Co.

Company Secretaries

Office no. 268, 2nd Floor, Udyog Bhavan, Sonawala Road, Goregaon (East), Mumbai - 400 063. India

Mob: +91 9773398470 +91 9324254455 Tel: +91 2249735566

Email: cs@mayankarora.co.in Website: www.mayankarora.co.in

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant To Regulation 34(3) And Schedule V Para C Clause (10)(I) Of The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

To,
The Members of
KMS Medisurgi Limited,
297/301 May Building, Gr. Floor
Marine lines (East), Princess Street
Mumbai - 400002

In my opinion and to the best of my information, verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) and according to our examination of the relevant records and information provided by **KMS MEDISURGI LIMITED** ('the Company') and based on representation made by the Management of the Company for the period from 1st April, 2019 to 31st March, 2020 for the purpose of issuing a Certificate as per Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the LODR Regulations') read with Part C of Schedule V of the LODR Regulations, I hereby certify that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority for the period as on 31st March, 2020.

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.

For Mayank Arora & Co., Company Secretaries

Mayank Arora Proprietor Membership No.: F10378

COP No.: 13609

Place: Mumbai Date: 29th June, 2020

UDIN number: F010378B000395653

CFO/CEO 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, 2020 and that to the best of their knowledge and belief:
- 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: 07-09-2020 For KMS Medisurgi Ltd

Place: Mumbai Sd/-

Anand Prataprai Kanakia Chief Financial Officer

DECLARATION OF CODE OF CONDUCT

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, 2020.

AUDITORS REPORT

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, 2020, 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, 2020, 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 Aa 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, 2020taken on record by the Board of Directors, none of the directors is disqualified as on31st March, 2020 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.: 140164UDIN: 20140164AAAABT9331

Place: Mumbai Date: 31st July 2020

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, 2020

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.
- 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.

- 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 UDIN: 20140164AAAABT9331

Place: Mumbai Date: 31st July 2020

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, 2020.

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, 2020 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, 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, 2020, 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 UDIN: 20140164AAAABT9331

Place: Mumbai Date: 31st July 2020



FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31st MARCH 2020					
		Mar-20	Mar-20	Mar-19	
	Notes			•	
EQUITY AND LIABILITIES	Notes				
SHAREHOLDERS FUNDS :					
Share Capital	2	33,000,000		33,000,000	
Reserves & Surplus	3	30,472,273		29,547,413	
r			63,472,273	62,547,413	
NON CURRENT LIABILITIES					
	4		11,058,493	11,276,399	
Long Term Borrowings	4		11,030,193	11,270,399	
CURRENT LIABILITIES					
1) Short Term Borrowings	5	-		-	
2) Trade Payables	6	15,346,670		29,480,301	
3) Other Current Liabilities	7	1,001,495		754,479	
4) Short Term Provisions	8	198,916		1,312,624	
			16,547,081	31,547,404	
			91,077,847	105,371,216	
ASSETS					
NON CURRENT ASSETS					
Fixed Assets	9				
Tangible Assets			18,141,458	22,035,035	
			-, ,	, ,	
Non Current Investments	10		16,012	16,012	
Long Term Loans & Advances	11		-		
CURRENT ASSETS					
1) Inventories	12	13,502,602		18,099,802	
2) Trade Receivables	13	54,961,980		50,507,691	
3) Cash & Cash Equivalents	14	2,914,678		11,752,881	
4) Short Term Loans & Advances	15	1,532,140		2,895,423	
5) Other Current Assets	16	8,977		64,372	
			72,920,377	83,320,169	
			91,077,847	105,371,216	
1			71,077,077	103,371,210	

Notes forming part of Financial Statements 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

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For and on Behalf of Board of Directors

Sd/-

Gaurang P Kanakia Managing Director

Mumbai, 31st July 2020

Mumbai, 31st July 2020

Statement of Profit and Los	s for the period en	nded 31st March 2020	
		Mar-20	Mar-19
	Notes	`	`
CONTINUING OPERATIONS			
INCOME:			
Revenue from Operation	17	103,441,044	98,569,731
Other Income	18	(32,034)	4,209,647
Total Revenue		103,409,010	102,779,378
EXPENSES:			
Cost of Material Consumed	19	71,395,152	74,152,989
Purchase Of Stock In Trade	20	3,433,987	8,017,350
Change in Inventories of Stock in Trade	21	4,454,000	(1,946,400)
Employee Benefit Expenses	22	7,589,348	8,244,914
Finance Cost	23	710,242	910,087
Other Expenses	24	9,950,468	7,062,289
Depreciation & amortisation expenses	9	4,052,037	4,268,902
		101,585,234	100,710,131
Profit before Extraordinary Exp.		1,823,776	2,069,247
Extraordinary Expenses		-	-
Profit before Tax		1,823,776	2,069,247
Provision for Tax		700,000	837,000
		1,123,776	1,232,247
Less: Prior years tax adjustments		-	-
Profit for the year		1,123,776	1,232,247
Basic and diluted earning per share (in `)		0.34	0.37

Significant Accounting Policies

2 25 to

Other Notes

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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**

Sd/-

Kalpesh Jain

Partner

Membership No:140164

Sd/-

Gaurang P Kanakia **Managing Director**

Mumbai, 31st July 2020

Mumbai, 31st July 2020

Cash Flow Statement for the year $\,$ ended 31st March 2020 $\,$

			2019-20		201	18-19
A	CASH FLOW FROM OPERATING ACTIVITIES					
	Profit for the year Adjustments for :			1,123,776		1,232,247
	Depreciation	4,052,037			4,268,902	
	Interest paid	168,066			122,198	
	Interest received	(262,157)		_	(741,771)	
				3,957,946		3,649,329
	Operating Profit before Working Capital Changes Adjustments for :			5,081,722		4,881,576
	Increase / (Decrease) in Trade payables	(14,133,631)			8,962,767	
	Increase / (Decrease) in Other Current Liabilities	247,016			311,107	
	Increase / (Decrease) in Short Term Provisions	(1,113,708)			828,850	
	(Increase) / Decrease in Inventories	4,597,200			(5,111,399)	
	(Increase) / Decrease in Other Current Assets	55,395			(64,372)	
	(Increase) / Decrease in Short Term Loans & Advances	1,264,834			1,432,194	
	(Increase) / Decrease in Trade & Other receivables	(4,454,289)		(13,537,183)	(3,681,166)	2,677,981
	Cash Generated from Operations			(8,455,461)		7,559,557
	Direct taxes paid			98,449		(27,204)
	Net Cash from Operating Activities	[4	\]	(8,357,012)		7,532,353
В	CASH FLOW FROM INVESTMENT ACTIVITIES					
	Purchase of Assets Sales of Assets Sales / (Purchases) of Investments			(158,460)		(3,852,500)
	Interest received Dividend received			262,157		741,771 -
	Net Cash from Investing Activities	[]	3]	103,697		(3,110,729)
C	CASH FLOW FROM FINANCING ACTIVATES					
	Proceeds from borrowings			(217,906)		3,218,045
	Repayment of borrowings Increase in Share Capital Increase in Share Premium			-		(10,993,173)
	Interest Expenses			(168,066)		(122,198)
	Dividend On Equity Shares			(165,000)		(165,000)
	Dividend Distribution Tax			(33,916)		(33,590)
	Net Cash Flow from Financial Activities	[0	C]	(584,888)		(8,095,916)
	Net Cash increase/(Decrease) in cash and Cash equivalents	(A+I	B+C)	(8,838,203)		(3,674,292)
	Cash and Cash Equivalents (Opening):					
	Cash on Hand	442,802			456,021	
	Balance with Banks	11,310,079		11,752,881	14,971,152	15,427,173
					- 192 / 1910/2	,,
	Cash and Cash Equivalents (Closing):	= 0.20=			442.005	
	Cash on Hand	78,387		0.044.570	442,802	11 753 001
	Balance with Banks	2,836,291		_ 2,914,678	11,310,079	11,752,881 48

Notes:

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.

For and on Behalf of Board of

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

As per our Report of even dated

For Kalpesh Jain & Associates Firm Registration No: 132603W

Chartered Accountant

Directors

Sd/-Sd/-

Membership No:140164

Gaurang P Kanakia Managing Director

Kalpesh Jain Partner

Mumbai, 31st July 2020

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements for the Year ended 31st March 2020

		Mar-20	Mar-19
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 2020			As at 31 March 201		arch 2019
	Number	•		Number	•	
Equity Shares at the beginning of the year	3,300,000	33,000,000		3,300,000	33,000,000	
Add: Issued during the year	-	-		-	-	
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	

As at 31st March 2020

Shares

Held %

30,472,273

No of Shares held

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

				1		
	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			18,806,452	
	Additions during the year			_	-	-
			18,806,452		18,806,452	
	Statement of Profit & Loss					
	Opening Balance	10,740,961			0.707.204	
	Add: Profit/(Loss) for the year	1,123,776			9,707,304	
	ridd. 110110 (2008) for the year	1,123,773			1,232,247	
		11,864,737	-	_		-
	*				10,939,551	
	Less:	165,000				
	Dividend distributed to equity shareholders	165,000			165,000	
	Tax on Dividend	33,916			105,000	
			-		33,590	_
			11,665,821		10,740,961	
				_		_

As at 31 March 2019

Shares Held %

No of Shares

held

29,547,413

4 LONG TERM BORROWING

	SECURED LOANS Walink Loans			
	Vehicle Loans		1,295,027	2,021,118
		Total (A)	1,295,027	2,021,118
	<u>UNSECURED LOANS</u> From Shareholders/Directors			
			8,843,539	8,335,354
	From Others		919,927	919,927
		Total (B)	9,763,466	9,255,281
	Total(A) + (B)		11,058,493	11,276,399
5	SHORT TERM BORROWING			
3	SECURED LOANS			
	Working Capital Loan from Banks		-	-
				-
6	TRADE PAYABLES			
	Outstanding Dues to Micro & Small Enterprises		3,515,860	1,002,180
	Outstanding Dues to creditors Other than Micro & Small Enterprises		11,830,810	28,478,121
	Sman Enterprises			
			15,346,670	29,480,301
6.2	Balance of Sundry Creditors are subject to confirmations. Adjustme Confirmations.	nts, if any, will be r	made on receipts of the	
7	OTHER CURRENT LIABILITIES			
	Other Payables		1,001,495	754,479
			1,001,495	754,479
			1,001,195	
8	SHORT TERM PROVISIONS Provision for Gratuity Contribution			
	Provision for proposed equity dividend		-	1,114,034
	Provision for tax on proposed dividend		165,000	165,000
	r · r		33,916	33,590
			198,916	1,312,624
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)			
	(As per inventories certified by the Directors)		13,502,602	18,099,802
13	TRADE RECEIVABLES			
	(Unsecured, Considered Good) Due for more than six months from the due data of payment			
	Due for more than six months from the due date of payment		8,295,943	1,422,365
	Other trade receivables		46,666,037	49,085,326
			54,961,980	50,507,691

14	CASH AND CASH EQUIVALENTS Cash on Hand		
	Balance with Scheduled Banks in:	78,387	442,802
	Current Accounts	425,921	698,011
	Deposit Accounts (Pledged with banks)	2,265,592	8,658,589
	Margin Money Accounts	144,778	1,953,479
		2,914,678	11,752,881
15	SHORT TERM LOANS AND ADVANCES (Unsecured, considered good) Other Short Term Advances		
	Advance payment of taxes (net)	220,213	1,509,047
	Security & Other Deposits	244,006	342,455
	Security & Other Deposits	1,067,921	1,043,921
		1,532,140	2,895,423
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	8,977	64,372
		8,977	64,372
17	REVENUE FROM OPERATIONS Sale of Products		
	Traded Goods	52,875,619	91,287,846
	Raw Material	47,251,487	7,281,885
	Income from Job work contract	3,313,938	-
		103,441,044	98,569,731
18	OTHER INCOME Interest		
	Others	262,157	741,771
	Net Gain on Foreign Currency transaction and	-	8,789
	translations	(294,191)	427,020
	Sundry Balance written back	<u> </u>	3,032,067
		(32,034)	4,209,647
19	COST OF MATERIAL CONSUMED		
	Opening Stock	13,645,802	10,480,803
	Add: Purchases	71,251,952	77,317,988
		84,897,754	87,798,791
	Less: Closing Stock	_13,502,602	13,645,802
			74 152 000
		71,395,152	74,152,989
20	PURCHASE OF STOCK IN TRADE	<u>71,395,152</u>	74,152,989
20	PURCHASE OF STOCK IN TRADE Purchase of Traded Goods	<u>71,395,152</u> <u>3,433,987</u>	8,017,350

21 CHANGE IN INVENTORIES OF STOCK IN TRADE

	Opening Stock	4,454,000	2,507,600
	Closing Stock	-	4,454,000
	(Increase)/Decrease	4,454,000	(1,946,400)
22	EMPLOYEE BENEFIT EXPENSES Salaries, Allowances & Bonus		
	Contribution to Gratuity Fund	7,350,203	7,091,750
	Staff Welfare Expenses	66,425	1,054,852
		172,720_	98,312
		7,589,348	8,244,914
23	FINANCE COST Interest On Bank Borrowings	440.044	100 100
	Bank Charges	168,066	122,198
		542,176_	787,889
24	OTHER EXPENSES	<u>710,242</u>	910,087
	BSE Listing Fees	25,000	25,000
	Freight Charges	402,861	511,601
	Delivery ,Handling & Transportation Charges	1,146,278	895,512
	Job work Charges	2,236,184	24,290
	Printing & Stationery.	60,517	102,711
	Legal & Professional Charges.	475,490	415,000
	Postage & Telephones.	149,151	183,824
	Electricity & Fuel Charges	1,027,891	1,218,850
	Insurance Charges	146,462	86,812
	Repairs and Maintenance Charges	1,315,973	740,175
	Rent & Taxes	30,095	48,000
	Warehousing charges	74,910	364,494
	Software & Website Charges	85,910	92,957
	Sales Promotion Expenses	48,700	40,000
	Audit Fees	25,000	25,000
	Travelling and Conveyance	618,868	282,741
	Tender, Registration & License Fees	12,675	119,302
	Sundry balances written off	271,580	-
	Miscellaneous expenses	1,796,923	1,886,020
		9,950,468	7,062,289

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.

DEFERRED TAX

26

The Company has on prudence not recognised Deferred Tax Assets of Rs. 11,23,296/- (Previous year Rs. 9,34,518/-) 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.

	The break-up of deferred tax assets / liability	31st March 2020	31st March 2019
A	Deferred Tax Assets		
	Difference betweeen tax and Book written down value	3,635,262	3,024,329

		3,635,262	3,024,329
В	Deferred Tax Liability		
	Deferred Revenue Expenses	-	-
		-	-
С	Net Deferred Tax Assets	3,635,262	3,024,329
D	Deferred Tax Assets / (Liability)	1,123,296	934,518

27 **EARNINGS PER SHARE:**

Particulars	31st March 2020	31st March 2019
Net Profit / (Loss) as per Profit and Loss Account (A) Rs.	1,123,776	1,232,247
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)	0.34	0.37

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

Enterprise having a Common Management

ii) 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 2020	March 2019		
i)	Expenditure				
	Purchase of Goods and Materials	458,937	1,757,795		
	Salaries	975,000	670,658		
ii)	Income				
	Sales of Goods and Materials	84,397,790	80,897,569		
	Jobwork Charges Received	-	-		
iii)	Outstanding Balances				
	Unsecured Loan	8,843,539	8,335,354		
	Sundry Debtors	50,137,799	42,611,489		
	Transactions with A(ii)				
i)	Purchase of Goods and Materials	1,162,314	3,617,995		
ii)	Sale of Goods and Materials	3,745,426	70,000		
iii)	Outstanding Balances				
	Sundry Debtors	414,500	70,000		
	Sundry Creditors	-	681,107		
		L			

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 2020	31st March 2019
Surgical Products (a)	52,875,619	91,287,846

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 2020	31st March 2019
Non woven Fabric & Others	71,395,152	74,152,989

33 <u>VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED</u>

THE CE OF MAIN ORTHON IN THE PROPERTY OF THE	IVV IVIZITEIX	THE COMBONIED		
	%	31st March 2020	%	31st March 2019
Imported	45.00%	32,127,818	49.63%	26,365,536
Indigenous	55.00%	39,267,334	50.37%	26,755,613
	100%	71,395,152	100%	53,121,149

34 **PURCHASES**

Particulars	31st March 2020	31st March 2019	
Surgical Products (a)	3,433,987	8,017,350	

Notes:

35 CLOSING FINISHED GOODS STOCK

Particulars	31st March 2020	31st March 2019
Surgical Products (a)	-	4,454,000

Notes:

36 VALUE OF IMPORTS ON CIF BASIS

Particulars	31st March 2020	31st March 2019
Raw Material	26,658,561	34,761,555
Spares parts and Components	-	_
Capital Goods	-	-
	26,658,561	34,761,555

- 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 whereever 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 and on Behalf of Board of Directors

For Kalpesh Jain & Associates Firm Registration No : 132603W

Chartered Accountant

Sd/Kalpesh Jain
Partner
Sd/Gaurang Kanakia
Managing Director

Membership No :140164

Mumbai, 31st July 2020 Mumbai, 31st July 2020 55

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

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

NOTE 9: FIXED ASSETS

GROSS NET
BLOCK DEPRECIATION BLOCK

BLOCK		DEPRECIATION		BLOCK						
DESCRIPTION	AS AT 1.4.2019	ADDITIONS	DEDUC- TIONS	AS AT 31.03.2020	UP TO 1.4.2019	DEDUC- TION	FOR THE YEAR	TOTAL	AS AT 31.03.2020	AS AT 31.3.2019
Factory Building	13,979,980	-	-	13,979,980	6,281,185	-	729,703	7,010,888	6,969,092	7,698,795
Plant and Machinery	24,447,880	-	-	24,447,880	14,786,347	-	1,769,697	16,556,044	7,891,836	9,661,533
Vehicles	9,615,825	-	-	9,615,825	5,397,689	-	1,305,242	6,702,931	2,912,894	4,218,136
Computers	329,344	68,983	-	398,327	231,805	-	95,439	327,244	71,083	97,539
Furniture and Fixtures	342,654	20,000	-	362,654	299,080	-	10,457	309,537	53,117	43,574
Office Equipment	917,380	69,477	-	986,857	612,017	-	138,871	750,888	235,969	305,363
Electrical Fittings	47,999	-	-	47,999	37,904	-	2,628	40,532	7,467	10,095
TOTAL Rs.	49,681,062	158,460	-	49,839,522	27,646,027	-	4,052,037	31,698,064	18,141,458	22,035,035
PREVIOUS YEAR Rs.	45,828,562	3,852,500	-	49,681,062	23,377,125	-	4,268,902	27,646,027	22,035,035	