



KMS MEDISURGI LIMITED

CIN L51397MH1999PLC119118

297/301 Plot no. 297-301, May Building, Gr. Floor Marine lines (EAST), Mumbai City 40
IN Ph-022-66107700/22, 022-67498822, Fax +91-22-22061111,
Website:-www.kmsgroup.in, E-mail id: info@kmsgroup.in

Date: 7th September 2021

To,
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai.

Ref: Script ID: KMSMEDI Script Code:540468

Subject: Annual Report of KMS Medisurgi Limited for the F.Y. 2020-21 and Notice of Annual General Meeting to be held on Thursday, September 30, 2021.

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable Regulations. please find attached herewith the Annual Report for the Financial Year 2020-21 and Notice of Annual General Meeting of the members of the Company to be held on Thursday, 30th September, 2021.

The said Notice and Annual report has been sent electronically to all the members whose email IDs are registered with the Company and our Registrars and Share Transfer Agent, KFin Technologies Private Limited.

The Notice and Annual Report have also been uploaded on the website of our Company www.kmsgroup.in.

Please take the same on your records and disseminate at all concerned.

Thanking you,

For KMS MEDISURGI LIMITED

REKHA

KANAKIA

Digitally signed by
REKHA KANAKIA
Date: 2021.09.07
15:34:22 +05'30'

Rekha Devang Kanakia
Managing Director
DIN:00346198



ANNUAL REPORT 2020-21

KMS Medisurgi Limited



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Rekha Devang Kanakia	Chairman and Managing Director (Designation changed w.e.f 19.07.2021)
Mr. Gaurang Prataprai Kanakia	Chairman and Managing Director (Resigned w.e.f 19.07.2021)
Mr. Rohan Devang Kanakia	Non-Executive Non- Independent Director (Appointed w.e.f 29.06.2021)
Mr. Siddharth Gaurang Kanakia	Executive Non -Independent Director (Appointed w.e.f.02.05.2018)
Mr. Hardik Rajnikant Bhatt	Independent Director (Appointed w.e.f 14.07.2016)
Mr. Kamlesh Rajani Chunilal	Independent Director (Appointed w.e.f 11.08.2016)
Mr. Pratik Pravin Tarpara	Independent Director (appointed w.e.f. 12.02.2020)

KEY MANAGERIAL PERSONNEL

Mr. Anand Prataprai Kanakia	Chief Financial Officer (Appointed w.e.f 09.07.2016)
Ms. Mariam Bahnan	Company Secretary and Compliance Officer (Appointed w.e.f 03.03.2021)
Ms. Pallavi Lakdawala	Company Secretary and Compliance Officer (Resigned w.e.f 17.09.2020)

SECURITIES LISTED ON

BSE Limited (SME Platform)

CORPORATE IDENTITY NUMBER

L65990MH1983PLC030215

STATUTORY AUDITORS

Kalpesh Jain & Associates

42 First Floor, Singh Ind. Estate No. 3, Nr. Big Cinema Moviestar, Ram Mandir Road, Off. S.V. Road, Goregaon (W), Mumbai-400104

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

REGISTRAR & SHARES 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

SENIOR MANAGEMENT

Ms. Monali Gaurang Kanakia
Senior Associate

INTERNAL AUDITOR

Mayur Mahesh Shah & Co.
Chartered Accountants



**LETTER FROM
MANAGING DIRECTOR**

Dear Shareholders,

I am pleased to present to you the Annual Report for FY 2020-21 of your Company. Through host of strategic initiatives like enhancement of operational efficiency and optimization of raw material consumption, addition of new customers, investments in R&D initiatives, automation of processes, energy efficiency led to improved performance of the company for the year under review.

We were marginally impacted by the lockdown enforced due to COVID-19 pandemic and part of operations were shut down in the beginning Part of the Financial Year which impacted us immensely.

The Company has taken adequate steps for safe guarding its employees while ensuring continuity in operations going forward. Complete social distancing norms are being followed at all plants and offices of the company. We will continue to leverage our strength of adaptability and agility. The company very briefly developed new products which helped it to maintain reasonable sales during this period.

I would like to share with you the brief data related to the turnover and profitability during the year under review. Your Company has achieved total revenue of Rs 7,60,62,174 as against the revenue of Rs 10,34,09,010 in the previous financial year, which has registered a fall from last financial year to current financial year.

However, your company continues to prove its mantle in being the largest manufacturer of Surgical Tapes in India.

COVID-19 pandemic has opened newer opportunities for your company in terms of new product ideas. Your company plans to work closely with the academia and institutions to develop cost effective high quality medical devices. New opportunities are continuously being ideated and explored. Technological advancement and expertise coupled with government support has proved to be advantageous for the sector in last few years. Governments new schemes will encourage manufacturing in India and will help us reduce the import dependency.

Given your companies inherent strengths and its financial stability, I am confident that it will emerge stronger from this unprecedented global crisis.

The Company has supported few NGOs, fed poor people, donated medical supplies and COVID prevention related products to the healthcare fraternity.



I am pleased to report that your company has taken rapid strides in its sustainability journey. Over the last few years your company has worked in the areas of water consumption reduction, effluent reduction, energy consumption reduction. The company will continue to invest in newer initiatives to reduce its carbon footprint.

We are constantly finding ways to understand and respond to the gradually evolving dynamics of the new normal. Though there could be difficulties, your Company will overcome the downtrends by maintaining deep relationships with customers, suppliers and other stakeholders. As we look to the year ahead, I have confidence that KMS Medisurgi Limited will continue to be admired as a reliable and trusted Company for supply of Medical and Surgical Devices.

The members of the Board continue to be a great source of encouragement and support to the Company's management team. I thank them for their involvement, support and guidance.

I also take this opportunity to express my gratitude to all of you, our esteemed and valued shareholders, for your continued support and confidence you have reposed in the Company.

On behalf of the Board, I would also like to thank all our stakeholders, partners, customers, bankers and employees for their continued support in building KMS Medisurgi Limited as a reputed Organization.

Rekha Devang Kanakia
Managing Director



COVID-19 IMPACT:

COVID-19 pandemic has greatly increased the spotlight on the medical industry. There has been a positive impact of the COVID-19 pandemic on your company. R&D Team worked round the clock to develop new products in a short period which allowed company to be at the forefront of the crisis. Our Products have found great acceptance in the market.

The Company's operations were impacted for initial months during the lockdown period. As transportation networks came to a complete halt, we were not able to ship products to customers. Since then the operations has stabilized. Our company has successfully adapted with the pandemic era.

We are maintaining all social distancing norms at our various manufacturing plants and work places to ensure safety and well-being of our employees.

Your Company was able to quickly turn to digital technology and analytics which guided us to prepare for new ways of empowering the team and serving our customers. New internal training programs were conducted to upskill our workforce with clinical and product knowledge.

This situation also gave us an opportunity to engage digitally with the healthcare community by means of webinars. These virtual programs enabled us to build online learning events aimed at imparting knowledge and skills to different set of healthcare professionals.

The novel coronavirus outbreak had managed to teach us the importance of local manufacturing, local market, and local supply chain. The government's new mantras ""Vocal for Local" and "Atma-nirbharBharat" are opening new opportunities in the Indian Medical Devices Sector.

Business Outlook

A transforming medical technology landscape, improving healthcare delivery and financing mechanisms, and changing patient profile are driving growth in the medical device industry. It has seen tremendous growth over the last decade and the current development trends indicate even greater potential in the coming years. Some of the growth drivers include:

- Increased Public Spending in Healthcare
- Economic growth leading to higher disposable incomes
- Increased Penetration of Health Insurance
- Increased Private Investment in Healthcare
- Public Private Partnership (PPP) route to Innovation
- Emergence of new models of healthcare delivery



Your Company continues to focus on Manufacturing of Surgical Tapes, and doing developments on the same.

The Company plant in Palghar (Mumbai, Maharashtra), is operating at full capacity. Your Company is also investing more in Clinical activities and Product Trainings to further enhance its footprint in domestic as well as export markets. Also new initiatives are been taken to increase the KMS MEDISURGI brand visibility.

Acknowledgement

I would like to thank all our valued stakeholders, including our customers, vendors, lenders and shareholders for continuing your support and upholding confidence and trust in us.

I wish safety of all our stakeholders, please maintain social distancing norms.

Sincerely
Management.



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of KMS MEDISURGI LIMITED will be held on Thursday, 30th September 2021 at 4.00 p.m. through Zoom video conferencing (“VC”) / Other Audio Visual Mechanism (“OAVM”) to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement as at March 31, 2021 and Profit & Loss Account of the Company for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare a final dividend of ₹ 0.05 (0.5%) per equity share for the year ended March 31, 2021.
3. To appoint a Director in place of Mr Siddharth Gaurang Kanakia (DIN: 07595098) who retires by rotation and is eligible for reappointment.

SPECIAL BUSINESS:

4. Appointment of Mrs Rekha Devang Kanakia (DIN:00346198) as the Managing Director

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 and all other applicable provisions of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities including the Central Government in granting such approvals, permissions and sanctions, consent of the shareholders of the Company be and is hereby accorded to appoint Mrs Rekha Devang Kanakia (DIN:00346198) as the Managing Director (MD) of the Company for a period of five years with effect from July 19, 2021 to July 18, 2026 (both days inclusive), on terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Gaurang Prataprai Kanakia subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof;

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the MD, the Company has no profits or its profits are inadequate, the Company may subject



to receipt of the requisite approvals including approval of Central Government, if any, pay to the MD the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the explanatory statement annexed to the Notice convening this Meeting and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of part II of Schedule V of the Companies Act, 2013;

RESOLVED FURTHER THAT the Office of Managing Director shall not be liable to retire by rotation pursuant to Section 152(6) of Companies Act, 2013 and Rules made there- under and any subsequent amendment(s) and/or modification(s) in the Act, Rules and/or applicable laws in this regard and Article 141 of the Articles of Association of the Company;

RESOLVED FURTHER THAT Mrs Rekha Devang Kanakia, MD of the Company be and is hereby authorized, empowered and vested with the substantial powers of the Management of the Company for carrying out the affairs and activities of the Company subject to the superintendence, control and direction of the Board of Directors of the Company;

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof) be and is hereby authorized to enter into an Agreement (including any revision and conditions of aforesaid re-appointment and/or agreement, if required) on behalf of the Company with Mrs Rekha Devang Kanakia, in terms of the aforesaid draft agreement;

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

5 .Re-appointment of Mr. Hardik Rajnikant Bhatt (DIN: 07566870) as an Independent Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Hardik Rajnikant Bhatt (DIN: 07566870) who holds office of Independent Director up to 13th July 2021, and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 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. Hardik Bhatt candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 14th July 2021 upto 13th July 2026.”

“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 authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6.Re-appointment of Mr. Kamlesh Chunilal Rajani (DIN: 07588417) as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Kamlesh Chunilal Rajani (DIN: 07588417) who holds office of Independent Director up to 10th August 2021, and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 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. Kamlesh Rajani candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 11th August 2021 up to Kamlesh Rajani 10th August 2026.”

“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 authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. Appointment of Mr. Rohan Devang Kanakia (DIN: 09220915) as an Additional Director.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:- “RESOLVED THAT Mr Rohan Devang Kanakia (DIN: 09220915) who was appointed as an Additional Director of the Company w.e.f. 29th June 2021 by the Board of Directors and who holds office up to 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, and pursuant to the



recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer himself for appointment, be and is hereby appointed as a Non-executive, Non Independent Director of the Company, liable to retire by rotation 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 authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

By Order of the Board of Directors

Mariam Bahnan

Company Secretary.

(Membership Number A60480)

Place : Mumbai

Date: 6th September 2021



NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), in respect of the Special Business under Item nos. 4 to 7 set above and the details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) entered with the Stock Exchanges and Secretarial Standard on General meeting (SS-2) in respect of the Directors seeking appointment/re-appointment at this Annual General Meeting is annexed hereto.
2. The requirement to place the matter relating to the appointment of Auditors for ratification by members at every Annual General Meeting has been done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed from the conclusion of the 34th Annual General Meeting held on 31st March, 2017.
3. Since, the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available.
4. Details required under the provisions of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (“SS-2”) and Regulation 36 of SEBI (Listing and Disclosure Requirements) Regulations, 2015 including brief profile of Directors seeking appointment/re-appointment, are annexed hereto.
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 members on first come first served basis.
6. Members may access the platform to attend the AGM through VC by using the credentials sent to their respective email Ids.
7. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
8. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
9. 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.



10. 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 atleast 5 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.
11. 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.
12. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
14. The Register of Members and Share Transfer books of the Company will remain closed from 23rd September 2021, Thursday to 30th September 2021, Thursday (both days inclusive) for the purpose of payment of dividend, if any, approved by the members.
15. The Annual Report of the Company, circulated to the Members of the will also Company will also be made available on the Company's website at www.kmsgroup.in.
16. 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.
17. Dividend : The dividend, as recommended by the Board, if approved at the AGM, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on 31st March 2021 as per the downloads furnished to the Company by Depositories for this purpose. In case of shares held in physical form, dividend will be paid to the shareholders, whose names shall appear on the register of members as on 31st March 2021.
18. Pursuant to Section 101 and 136 of the Act read with the relevant Rules made thereunder, Regulation 36 of Listing Regulations and SS-2, the copy of the Annual Report including Financial statements, Board's report and Annexures thereto etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agents of the Company, unless any member has requested



for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to cskms99@gmail.com mentioning your Folio/DP ID & Client ID.

Members may also note that the Notice of this Annual General Meeting and the Annual Report for the year 2021 will also be available on the Company's website www.kmsgroup.co.in for their download.

All the documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 10.00 a.m and 1.00 p.m. up to the date of Annual General Meeting.

The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

19. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
20. Green Initiative:- To support the Green Initiative, members who have not registered their e-mail address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
21. Nomination : Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
22. Submission of PAN : The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/ transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents, M/s. KFin Technologies Private Limited..
23. Share Transfer permitted only in Demat : SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019. In view of the above and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerialize shares held by them in physical form.
24. Shareholders' Communication : Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, email address etc. to the Registrar and Share Transfer Agents at the following address: KFin Technologies Private Limited. Selenium



Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India - 500 032.

25. If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).
26. Route Map would not be required as the meeting will be through Audio Visual means.



ANNEXURE TO NOTICE

Explanatory Statement

PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice.

ITEM NO 4.

Mrs Rekha Devang Kanakia has been associated with the company as a Non-Executive Non-Independent Director since 17th March 2016 as a Non-Executive Non Independent Director.

The Board of Directors (based on the recommendation of Nomination and Remuneration appointed Mrs. Rekha Devang Kanakia as the Managing Director & Chairman of the Company for a period of five years from 19th July 2021 up to 18th July 2026, upon the terms & conditions hereinafter indicated, subject to approval of the Members.

Mrs. Rekha Devang Kanakia 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.

She is known for breadth and depth of leadership experience. She is a strategic thinker, switching between long term vision and short-term orientation, delivering performance with accountability, courage, energy and integrity. Mrs. Rekha Devang Kanakia is also recognized in the Group for her approach of building effective and diverse teams through empowerment and motivation, acting as a role model and demonstrating strong communication skills.

Brief resume of Mrs. Rekha Devang Kanakia, nature of her expertise in specific functional areas, names of companies in which she holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations, are provided as an Annexure to this notice.

The principal terms and conditions of appointment of Mrs. Rekha Devang Kanakia as the Managing Director (hereinafter referred to as the 'MD') is as follows:

1. Period of Appointment Five years commencing from July 19, 2021, the date of appointment.
2. Remuneration:



- a) In consideration of the performance of her duties, the Company shall pay to Mrs. Rekha Kanakia the fixed gross remuneration (other than Gratuity) of Rs 9,75,000/- (Rupees Nine lakh seventy-five thousand only) per annum with such increments as may be approved by the Board of Directors (which includes any Committee thereof) from time to time. The gross remuneration shall be categorized as follows:-
- b) Perquisites & Allowances:
The Company follows the Flexible Allowances Structure for all its employees that enables its employees to decide the salary components other than the basic salary within the gross remuneration of the employee concerned. In line with the above structure, Mrs. Rekha Kanakia will decide her remuneration components other than the Basic Salary, within the overall fixed gross remuneration of 9,75,000/- per annum.
- c) Gratuity
Gratuity of basic salary earned for each completed year of service.
- d) Leave
Entitled for leave with full pay or encashment thereof as per the rules of the Company.
- e) Other perquisites
Subject to overall ceiling on remuneration mentioned herein below, Mrs. Rekha Kanakia may be given any other allowances, benefits and perquisites as the Board of Directors (which includes any Committee thereof) may from time to time decide

3. *Powers & Responsibilities as the Managing Director :*

- a) As the Managing Director Mrs. Rekha Kanakia will carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company (hereinafter called "the Board") shall from time to time in its absolute discretion determine and entrust to her, subject, nevertheless to the provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.
- b) MD will, to the best of her skill and ability, endeavour to promote the interests and welfare of the Company and to conform to and comply with the directions & regulations of the Company and also such orders and directions as may from time to time be given to her by the Board of Directors of the Company.
- c) MD shall at all times act in the best interests of the Company and all its stakeholders and keep the Board of Directors informed of any developments or matters that have materially impaired, or are reasonably likely to materially impair, the interests of the Company and/or any of its stakeholders. Subject to the superintendence, control and direction of the Board, MD shall (i) have the general control of the business of the Company and be vested with the Management and day to day affairs of the Company (ii) have the authority to enter into contracts on behalf of the Company in the ordinary course of business and (iii) have the authority to do and perform all other acts and things which in the ordinary course of such business he may consider necessary or proper in the best interest of the Company.
- d) MD shall devote the whole of her time, attention and abilities to manage the business of the Company and shall use her best endeavour to promote its interest and welfare.



4. During the currency of her Agreement, MD shall not directly or indirectly engage herself in any other employment, business or occupation of whatsoever nature. However, she may with the prior approval of the Board of Directors, hold Directorship in other companies and/or provide services to other group companies.
5. The terms & conditions of appointment and the payment of remuneration to MD may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit and in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard and within the overall approval given by the Shareholders.
6. The appointment Agreement with MD may be terminated either by the Company or by her by giving 6 (six) months' notice in writing at the end of a calendar month to the other party or the payment of salary in lieu thereof.
7. The Agreement may also be terminated upon notice in writing to the other part :
 - a) In the event that the other party materially breaches the Agreement and has not remedied such breach (if applicable of remedy) within 14 days of having be notified of the breach or
 - b) in accordance with applicable law.
 - c) Both parties reserve the right to terminate the Agreement without notice for "Due Course".

For the purposes of the Agreement Due Cause means: an event such as grave or repeated violations of any relevant contractual obligations, guidelines or instructions; intentionally or negligently causing damage or injury to the other party; the acceptance of commissions or bribes in any form; any behaviour that seriously damages, the Company or the Employee's reputation; the commission of serious offences against applicable law; or repeated failure to perform basic responsibilities despite having fair opportunity to rectify such failure to perform.
8. If at any time the MD ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the MD and the Agreement with the Company shall stand terminated forthwith. Similarly, if at any time the MD ceases to be in the employment of the Company for any cause/ reason whatsoever, she shall cease to be a Director of the Company.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mrs. Rekha Devang Kanakia under Section 190 of the Act.

The Nomination & Remuneration Committee and the Board of Directors is of the opinion that Mrs. Rekha Devang Kanakia's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolutions at Item No.4 of this Notice relating to her appointment as a Director and as the MD & Chairman of the Company for a period of five years w.e.f. 19th July 2021 up to 18th July 2026 as an Ordinary Resolutions for your approval.



In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Except, Mrs. Rekha Devang Kanakia, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution at Item No.4 of the Notice. Mrs. Rekha Devang Kanakia is related to other Director of the company and the same is mentioned in Annexure.

Item No 5 to 6

Mr. Kamlesh Rajani and Mr. Hardik Chunilal Bhatt, were appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the AGM held on 30th September 2016 to hold office up to the year 2021 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.)

The Nomination & Remuneration Committee at its Meeting held on 29th June 2021 after taking into account the performance evaluation of these Independent Directors, during their first term of five years and considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, has recommended to the Board that continued association of these Directors as an Independent Directors would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of these Directors as Independent Directors on the Board of the Company, to hold office for the second term of five consecutive years commencing from 13th July 2021 up to 12th July 2026 (for Hardik Rajnikant Bhatt) and from 10th August 2021 to 9th August 2026 (For Kamlesh Chunilal Rajani) . They are not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Hardik Rajnikant Bhatt, and Kamlesh Chunilal Rajani for their appointment to the office of Independent Directors.

Brief profile of the above Independent Directors are as under:

A. Kamlesh Chunilal Rajani:

Mr. Kamlesh Rajani Chunilal (DIN: 07588417) 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 equipment's.

B. Hardik Rajnikant Bhatt:



Mr. Hardik Rajnikant Bhatt (DIN: 07566870) 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.

The above Directors have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations. In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Hardik Rajnikant Bhatt and Mr. Kamlesh Chunilal Rajani fulfils the conditions specified in the Act for their appointment as an Independent Directors.

The Company has also received from the above directors:-

- (i) the consent in writing to act as Director and
- (ii) intimation that they are not disqualified under section 164(2) of the Companies Act, 2013.
- (iii) a declaration to the effect that they are not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI).

The other details including the shareholding of these Directors, whose appointment is proposed at item nos. 5 to 6 of the accompanying Notice, have been given in the attached annexure.

The Board recommend the Resolutions for re-appointment of the Independent Directors at item no. 5 to 6 as Special Resolutions of this notice for your approval.

None of the other Directors, Key Managerial Personnel and relatives thereof are concerned or interested in the Resolutions at item nos. 5 to 6.

ITEM NO 7.

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) had appointed Mr. Rohan Devang Kanakia(DIN: 08354724) as an Additional Director from 29th June 2021.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 122 of the present Articles of Association of the Company, Mr. Rohan Devang Kanakia holds office as an Additional Director only up to the date of the forthcoming Annual General Meeting. Mr. Rohan Devang Kanakia, being eligible has offered himself for appointment as a Director.

Mr Rohan has done his International Baccalaureate where he has majored in business and Economics. He has further done his undergraduate in liberal Arts and Humanities while majoring in International business. He possesses good analytical and management skills required for the business. He is also having wide knowledge and experience in the field of Accountancy.



The other details of Mr. Rohan Devang Kanakia in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice. The Board of Directors is of the opinion that Mr. Rohan Devang Kanakia's knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No.7 of this Notice relating to his appointment as a Director, liable to retire by rotation as Ordinary Resolution for your approval.

Except, Mr. Rohan Devang Kanakia, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested or concerned in the Resolution at Item No.7 of the Notice.

Mr Rohan Kanakia is the Son of Mrs Rekha Devang Kanakia (Managing Director) and First Cousin of Mr. Siddharth Kanakia (Non- executive Non Independent Director)

By Order of the Board of Directors

Mariam Bahnan

Company Secretary

(Membership No. A60480)

Date: 06th September 2021

Place: Mumbai



Annexure to items 4,5,6 & 7 of the Notice.

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

(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and SS-2 on General Meeting)

Name of the Director	Rekha Devang Kanakia	Rohan Devang Kanakia	Hardik Rajnikant Bhatt	Kamlesh Chunilal Rajani
Date of Birth	26 th May 1972	17 th November 1998	16 th August 1985	17 th November 1970
Date of Appointment	19th July 2021	29th June 2021	13 th July 2021	10 th August 2021
Purpose	Appointment as MD	Appointment as Additional Director	Reappointment of Independent Director	Reappointment of Independent Director
Qualifications				
Number of shares held in the Company	4,42,000	NIL	NIL	NIL
List of the directorships held in other companies*	KMS Manufacturing Limited	0	0	0
Number of Board Meetings attended during the year 2020-21	7 out of 7 in capacity as Non-Executive Non-Independent Director	NIL	7 out of 7	6 out of 7
Chairman/Member in the Committees of the Boards of companies in which he is Director*	NONE	NONE	Chairman of Audit Committee and Member of NRC Committee.	Chairman of NRC Committee and Member of Audit Committee.
Relationships between Directors inter-se	Mother of Rohan Kanakia	Son of Rekha Kanakia	None	None
Remuneration details (Including Sitting Fees & Commission)	9,77,000 P.A	-	-	-

*Directorship includes Directorship of Public Companies & Committee membership includes only Audit Committee and Nomination and Remuneration Committee of Public Limited Company (whether Listed or not).



DIRECTORS REPORT

Dear Members,

Your Directors are pleased to present our **23rd Annual Report** for the financial year ended March 31, 2021:

BUSINESS PERFORMANCE:

	(Rs. In Lacs)	
PARTICULARS	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
Revenue from operations	750.98	1,034.41
Other income	9.64	(0.32)
Gross Income	760.62	1034.09
Total Expenses	736.89	1015.84
Net Profit Before Tax	23.73	18.25
Provision for Tax	-	-
Net Profit After Tax	15.84	11.25

OPERATIONS AND FUTURE PLANS:

Your Company has seen a decrease in turnover during the year under review which accounted for Rs. 750.98 Lakhs as compared to Rs 1034.41 Lakhs in FY 2019-20. The Company has incurred Net Profit of Rs. 15.84 Lakhs as compared to Net Profit of Rs. 11.25 Lakhs in FY 2019-20. Your Company is very much optimistic about the coming year. Since the Company is trying to reduce cost and expand its business, your directors are hopeful that the results will be more encouraging.

Impact of Covid-19

Due to outbreak of COVID-19 pandemic globally and consequent lockdown imposed by the Government of India from March 23, 2020 to curb its wide spread, a massive economic disruption and social distress has been witnessed in India. The Company's proactive implementation of Business Continuity Plan and Emergency Preparedness Plan at the enterprise level ensured not only the safety of its workforce but also smooth, uninterrupted and secure business and service continuity.

The Company was able to run the operations without much disruption as it implemented the preventive safeguard measures as an abundant caution much before the Central/State Governments



issued SOPs to operate.

Our Corporate & Registered office and plant had reopened, with adequate staff strength, as per applicable norms.

The manufacturing plants were working at a limited capacity in April and May, 2020 but from June, 2020 onwards we have been able to ramp-up capacity to cater domestic and international customer demand.

Due to the lockdown, revenue was impacted both Q1 and Q4 of FY 21. We shall review the long-term impact of the pandemic and take all steps necessary to adapt ourselves to emerging challenges and changes in the demand.

On the basis of evaluation, the Company has concluded that no material adjustments are required in the consolidated financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the impact assessment on the Group's financial statements will be continuously made and provided for as required.

EXPANSION:

Your Company is continuously exploring opportunities for growth, expansion and modernization of its projects. In addition to the above growth efforts, the company is also contemplating setting up of and/or investing in some projects relating to the activities of the company.

DIVIDEND:

The final dividend of Rs 0.05 per share declared by the Board in its meeting held on 6th September 2021 shall be considered as the final dividend for financial year 2020-21. Thus, the total dividend for the financial year 2020-21 remains Rs 0.05 per equity share.

The aforesaid dividend paid for year under review is in accordance with the Company's policy on Dividend Distribution which is linked to long term growth objectives of your Company to be met by internal cash accruals.

SHARE CAPITAL:

As on March 31, 2021, the authorized share capital of the Company is Rs. 3,50,00,000/- (Rupees Three Crore Fifty Lakhs) divided into 35,00,000 (Thirty-Five Lakh) Equity Shares of Re. 10/- (Rupee Ten Only) each.

As at March 31, 2021, the paid-up Equity Share Capital of the Company stood at Paid-up Share Capital is Rs. 3,30,00,000/- (Rupees Three Crore Thirty Lakhs) divided into 33,00,000 (Thirty-Three Lakh) Equity Shares of Re. 10/- (Rupee Ten Only) each.



BONUS:

During the year, no bonus shares are issued by the Company.

TRANSFER TO RESERVE:

The Company has transferred Rs. 12,28,996/- to Reserve & Surplus and the same is in compliance with the applicable provisions prescribed under the Companies Act, 2013.

COMPLIANCE WITH THE ACCOUNTING STANDARDS

The Company prepares its accounts and other financial statements in accordance with the relevant accounting principles and also complies with the accounting standards issued by the Institute of Chartered Accountants of India.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

TRANSFER TO UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company does not have any unclaimed or unpaid dividend as on 31st March 2021.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i) Retire by Rotation:

In accordance with the provisions of Section 152 of the Act, and that of Articles of Association of the Company, Mr Siddharth Gaurang Kanakia ,Director of the Company retires by rotation at this Annual General Meeting of the Company and being eligible, offers himself for reappointment.

ii) Change in Directors and Key Managerial Personnel's:

1. Mr Gaurang Prataprai Kanakia resigned from the Position of Managing Director of the Company w.e.f 19th July 2021.
2. The Designation of Mrs Rekha Devang Kanakia was changed from Non-Executive Non-Independent Director to Managing Director w.e.f 19th July 2021.
3. Mr Rohan Devang Kanakia was Appointed an Additional Director in the capacity of Non-Executive Non-Independent Director w.e.f 29th June 2021.
4. Resignation of Ms Pallavi Lakdawala as the Company Secretary & Compliance officer on 7th September 2020.



5. Appointment of Ms. Mariam Bahnan as the Company Secretary & Compliance officer w.e.f 3rd March 2021.

iii) **Composition of Board of Directors and Key Managerial Personnel's:**

As on the date of this Board's Report, i.e., as on September 06, 2021, your Company's Board of Directors comprises of the following Directors:

Name of the Director	Director Identification Number (DIN)	Category
Rekha Devang Kanakia	00346198	Chairman & Managing Director
Siddharth Gaurang Kanakia	07595098	Non-Executive Non-Independent Director
Rohan Devang Kanakia	09220915	Non-Executive Non-Independent Director
Hardik Rajnikant Bhatt	07566870	Non-Executive Independent Director
Kamlesh Chunilal Rajani	07588417	Non-Executive Independent Director
Pratik Pravin Tarpara	08689556	Non-Executive Independent Director

As on the date of this Board's Report, i.e., on September 06, 2021, your Company's Key Managerial Personnel are as follows:

Name of KMP	Designation
Mr. Anand Prataprai Kanakia	Chief Financial Officer
Ms. Mariam Bahnan	Company Secretary and Compliance Officer

iv) **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

v) **Meetings of the Board:**

During the year ended March 31, 2021, Seven (7) Board Meetings were held by the Company. The Board has the responsibility to monitor the Company's progress towards its goals and to revise and



alter its direction in light of changing circumstances. Board Meetings are scheduled as required under the Listing Regulations and the Companies Act, 2013 and the Rules made thereunder. At every regularly scheduled meeting, the Board reviews recent developments if any, the regulatory compliance position and the proposals for business growth that impact the Company's strategy. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The names, designation & categories of the Directors on the Board, their attendance at respective Board Meetings held during the year and last Annual General Meeting and total number of Shares held by them in the Company are as under:

Name of Directors	Category	No of Board meeting attended	Last AGM attended	No of Directors hip in other Company	Committee positions		No of Shares as on 31 st March 2021
					Member	Chairman	
Gaurang Prataprai Kanakia	Managing Director (Resigned w.e.f 19th July 2021)	7/7	Yes	4	0	0	3,28,180
Rekha Devang Kanakia	Non-Executive Non-Independent	7/7	Yes	1	0	0	2,42,000
Siddharth Gaurang Kanakia	Non-Executive Non-Independent	7/7	Yes	2	2	0	50,000
Hardik Rajnikant Bhatt	Non-Executive Independent	6/7	Yes	0	2	1	NIL
Pratik Tarpara	Non-Executive Independent	7/7	Yes	0	0	0	NIL
Kamlesh Chunilal Rajani	Non-Executive Independent	7/7	Yes	0	2	1	NIL

vi) Committees of the Board:

At present, there are two (2) Committees of Board, i.e. Audit Committee, & Nomination & Remuneration Committee. The Company is not mandated to form Stakeholders relationship Committee and Corporate Social Responsibility Committee. The Composition and other details related to the Committees are as follows.

Audit Committee



The audit committee of the Company is constituted in line with the provisions of regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Section 177 of the Act.

The terms of reference of the Audit committee are broadly as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered;
4. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Qualifications/Modified opinion on draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval;
6. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions with related parties;
8. Scrutiny of inter-corporate loans and investments.
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or failure of internal control systems of a material change and reporting the same to board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;



16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.
18. To review the functioning of whistle blower mechanism.
19. The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
21. Oversee financial reporting controls and process for material subsidiaries;
22. The Audit Committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

The Composition of Audit Committee is as follows:

Name	Category	No of meetings attended
Kamlesh Chunilal Rajani	Independent Director- Member	4/4
Hardik Rajnikant Bhatt	Independent Director- Chairman	4/4
Siddharth Kanakia	Non-Independent Non-Executive Director-Member	4/4

Four audit committee meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows: 30th May 2020, 31st July 2020, 07th Sept 2020, and 13th November 2020.

Nomination and Remuneration Committee

The Company had a Nomination and Remuneration Committee of directors. The Committee's constitution and terms of reference is in compliance with the provisions of the Act and Regulation 19 and 20 of SEBI (LODR) Regulations, 2015. The Committee comprises of 3 (three) members of the Board, the details of the member are as follows:

Name	Category	No of meetings attended
Kamlesh Chunilal Rajani	Independent Director- Chairman	3/3
Hardik Rajnikant Bhatt	Independent Director- Member	3/3
Siddharth Kanakia	Non-Independent Non-Executive Director-Member	3/3



During the year, under review, three meetings of Nomination and Remuneration Committee were held on 17th July 2020, 7th September 2020 and 3rd March 2021.

Term of reference of the Committee, inter-alia, includes the following:

- To identify persons, who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of Directors performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a Policy on Board Diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole Time Director(s) based on their performance and defined assessment criteria.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.
- The Managing Director and Executive Director are paid remuneration within the range recommended by the Remuneration Committee which is further approved by the Board of Directors and the Shareholders of the Company in General Meeting. The remuneration is decided considering various factors such as qualification(s), experience(s), expertise, and capability of the appointee, its contribution to the Company's growth, remuneration prevailing in the Industry, Financial Position of the Company etc.
- The Non-Executive Directors are paid remuneration by way of sitting fees for attending each meeting of Board of Directors and Committee Meeting thereof and Commission.

INVESTOR COMPLAINTS

Details of Investor Complaints received and redressed during the year 2020-21 are as follows:

Opening Balance	Received during the Year	Resolved during the Year	Closing Balance
NIL	NIL	NIL	NIL

No Complaints were outstanding as on 31st March 2021.

DECLARATION OF INDEPENDENCE FROM INDEPENDENT DIRECTORS:

All Independent Directors of your Company have individually and severally given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as



laid down under Section 149(6) of the Companies Act, 2013. Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013, rules made thereunder as well as applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

During the year under review, the independent Directors met on 30th March 2021, inter-alia to discuss:

- Evaluation of performance of Non-Independent Directors.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors of your Company confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CHANGE IN THE NATURE OF BUSINESS:

During the period under review, there is no change in the nature of business of the Company. The Company continues to operate in the Manufacturing of Surgical Equipment's.



EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in Form MGT-9 as required under Section 92 of the Companies Act, 2013 (herein after referred to as "the Act") forms an integral part of this Report as "**Annexure A**".

PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTY:

All related party transactions that were entered into by the Company during the financial year under review were on arms' length basis and in the ordinary course of business. There are no material significant related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large. Details are annexed in Form AOC-2 "**Annexure-B**". The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website www.kmsgroup.in.

AUDITORS & THEIR REPORT:

Statutory Auditor:

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.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

Further, during the year, in the course of the performance of their duties as auditor, no frauds were reported by them.

Secretarial Auditor:

In compliance with the provisions of Sec 204 and other applicable provisions of Companies Act 2013, the Board of Directors have appointed Mr Naveen Karn, Practising Company Secretary as Secretarial Auditors to undertake Secretarial Audit of the Company for the financial year ended March 31, 2021. The Secretarial Audit Report is attached herewith marked as "**Annexure C**" and forms an integral part of this report.

Secretarial Auditor has made and mentioned the following observation in its report:



- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below: -

Sr.No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Observations of the Practicing Company Secretary	Remarks from Company
1.	As per section 123 and 124 of the Companies Act, 2013.	Company has not paid financial year Dividend within prescribed time.	The same has been paid along with Interest.
2.	SEBI Circular SEBI/HO/DDHS/CIR/P/2018 /144	Company has not given Annual Disclosure to be made by an entity identified as a Large Corporate. The listed entities which are not identified as large corporate must submit a confirmation in this regard to the Exchange in the mode as specified above.	The Company is not identified as a large Corporate as per SEBI Circular SEBI/HO/DDHS/CIR/P/2 018/144. The same has been given on 12 th April 2021.
3.	Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018	The Company has not submitted Reconciliation of Share Capital Audit report for the quarter ended 30.06.2020 within prescribed time.	Due to the pandemic and lockdown situation, there was mismanagement of time hence the same could not be submitted on due date.
4.	Regulation 13 (3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.	The Company has not submitted Investor complaints for the quarter ended 30.09.2020 within prescribed time.	Due to the pandemic and lockdown situation, there was mismanagement of time hence the same could not be submitted on due date. A fine of Rs 1180 has been paid to the exchange.
5.	Regulation 31 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.	The Company has not submitted Shareholding Pattern for the quarter ended 30.09.2020 within prescribed time.	Due to the pandemic and lockdown situation, there was mismanagement of time hence the same could not be submitted on due date. A fine of Rs 2360 has been paid to the exchange.



6.	Clause 4 (2) of the Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015	Company has not given notice of closure of trading window for the quarter ended 30.09.2020 within prescribed time.	Due to the pandemic and lockdown situation, there was mismanagement of time hence the same could not be given on due date.
7.	Regulation 74(5) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.	The Company has not submitted Disclosure under regulation 74(5) of SEBI (DP) regulations 2018 for the quarter ended 30.09.2020 within prescribed time.	Due to the pandemic and lockdown situation, there was mismanagement of time hence the same could not be given on due date.
8.	Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.	Company has not complied with the provision of Regulation 36(3) of SEBI LODR (Regulation), 2015 the information related to appointed new director or re-appointed a director to Shareholder in Annual report of the company.	The same has been duly given in this year's report.
9.	Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.	Company has not given full disclosure under Management Discussion and Analysis report.	The same has been duly given in this year's report.
10.	Section 134(3)(p) of the Companies Act, 2013.	Company has not disclosed a statement indicating the manner in which formal annual evaluation of the performance of the Board, its committees and of individual directors have been made in Director report.	The same has been duly given in this year's report.

Cost Auditor:

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 2020-21.

Internal Auditor:



The provision of Section 138 of The Companies Act, 2013 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 2020-21 based on the recommendation of the Audit Committee.

RISK MANAGEMENT:

Risk Management is a risk-based approach to manage an enterprise, identifying events that may affect the entity and manage risks to provide reasonable assurance regarding achievement of entity's objective. The risk management process consists of risk identification, risk assessment, risk prioritization, risk treatment or mitigation, risk monitoring and documenting the new risks. The Company has laid a comprehensive Risk Assessment and Minimization Procedure, which is reviewed by the Audit committee and approved by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. In the opinion of your Board, none of the risks which have been identified may threaten the existence of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place an adequate budgetary control system and internal financial controls with reference to financial statements. No reportable material weaknesses were observed in the system during the previous fiscal. Further, the Company has laid down internal financial control policies and procedures which ensure accuracy and completeness of the accounting records and the same are adequate for safeguarding of its assets and for prevention and detection of frauds and errors, commensurate with the size and nature of operations of the Company. The policies and procedures are also adequate for orderly and efficient conduct of business of the Company.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

PUBLIC DEPOSITS:

The Company has not accepted any deposit from the general public within the meaning of section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.



PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY UNDER SECTION 186:

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 2020-21.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

During the year ended March 31, 2021, there were no material changes and commitments affecting the financial position of the Company have occurred between the period ended March 31, 2021 to which financial results relate and the date of the Report.

CORPORATE SOCIAL RESPONSIBILITY:

Since the provisions as laid down in the Section 135 of the Companies Act, 2013 are not applicable to the Company, hence no such Committee has been formed. However, Company had always tried in its best possible ways to involve itself in social development activities.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE 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.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report. **Annexure-D**

CORPORATE GOVERNANCE:

The Company is listed on SME Exchange ,Hence Corporate Governance Report is not Applicable.

INSURANCE:

The fixed assets of the Company have been adequately insured.

DEMATERIALISATION OF SHARES:

Your Company has connectivity with the National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for dematerialization of its Equity Shares. 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. All shares of the Company are held in DMAT form.

LISTING OF SHARES:

The shares of your Company are listed at BSE Limited on MSME Exchange. The applicable Annual Listing fees have been paid to both the Stock Exchanges for the financial year 2020-21.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

The Policy is also available on the web-site of the Company. The Audit Committee of Directors are entrusted with the responsibility to oversee the Vigil mechanism. During the year 2020-21 no complaints were received.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

No employee has received remuneration in excess of the limits set out in rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during FY 2020-21.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING& OUTGO:



Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134[3][m] of the Act read with the Companies [Accounts] Rules, 2014, are provided in the 'Annexure E' and forms part of this Report.

PREVENTION OF SEXUAL HARRASSMENT AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rule made thereunder. During the year under review, there were no cases filed or reported pursuant to the provisions of the said Act.

QUALITY

The Company delivers products confirming to strict global quality standards. The products comply with international regulatory requirements. The Company is committed to continuous improvements and implementation of world class processes. All products are manufactured in accordance with current Good Manufacturing Practices (GMP). Routine internal and external quality audits for GMP compliance assure that our quality systems are consistent with current international standards.

The Company's manufacturing facilities continue to remain certified by independent and reputed external agencies. The company's manufacturing facilities following certifications: ISO 13485:2016 Certification in Medical Device Quality Management Systems. All our products are CE certified by DNV GL.

HUMAN RESOURCES

Your Company's human capital has been at the helm of its success through all its endeavours. The employees are well trained and carry adequate knowledge and skills to perform relevant functions in the organization.

The Company sees its relationship with its employees as critical to the future and believes that every employee needs to possess apart from competence, capacity and capabilities, sustainable values, current and contemporary which would make them useful, relevant and competitive in managing the change constructively for overall growth of the organization. The Company's efforts are directed towards creating a congenial work atmosphere for individual growth, creativity and greater dedicated participation in organizational development. In-house and external training and instructions are also provided to employees at all levels, which help in attaining professional and productive culture.

REGULATORY RISK

Medical Devices is among one of the highly regulated industries across the world, rightly so as it deals with saving human lives. The regulations impact manufacturing, quality, marketing and distribution of



products globally and bring new compliance challenges year on year. A strong quality assurance and regulatory control mechanism ensures strict compliance at every level. The company organizes regular regulatory trainings for its employees to update them on new developments in this field.

INSIDER TRADING:

The Board of Directors has adopted the Insider 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.kmsgroup.in

SECRETARIAL STANDARDS:

During the Financial Year 2020-21, 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.

SHARE CAPITAL AUDIT:

As stipulated by Securities and Exchange Board of India (SEBI), Mr. Naveen Karn, Proprietor of M/s. Naveen Karn & 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.

GREEN INITIATIVES:

As part of the Green Initiative, we propose to send documents such as Notices of General Meeting(s), Annual Reports and other shareholders communications for the year ended 31st March 2021 in electronic form, to the email addresses provided by you and/or made available to the Company by the Depositories. The copy of annual report shall be available on the website of the Company and for



inspection at the registered office of the Company, during office hours. In case any member wishes to get Annual Report and other communication in physical form, he may write to the company and the same will be provided free of cost.

Electronic copies of the Annual Report 2020-21 and Notice of the 23rd Annual General Meeting would be sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the same would be sent in the permitted mode.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from all our Clients, Bankers, Business Associates and the Government and other regulatory authorities and thank all stakeholders for their valuable sustained support and encouragement towards the conduct of the proficient operation of the Company. Your Directors would like to place on record their gratitude to all the employees who have continued their support during the year.

**By Order of the Board of Directors
For and Behalf of KMS Medisurgi Limited.**

Sd/-
Rekha Devang Kanakia
Managing Director
DIN: 00346198
Date: 6th September 2021
Place: Mumbai



Annexure-A

FORM NO MGT-9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014

A. REGISTRATION AND OTHER DETAILS:

i)	CIN	L51397MH1999PLC119118
ii)	Registration Date	25/03/1999
iii)	Name of the Company	KMS MEDISURGI LIMITED
iv)	Category/Sub - Category of the Company	Indian Non- Government Company
v)	Category	Public Company
vi)	Sub –Category	Company limited by shares
vii)	Address of the Registered Office	297/301 May Building, Gr. Floor Marine lines(East) Princess Street Mumbai – 400002
viii)	Contact Details	022-66107700 Email id: cskms99@gmail.com
ix)	Whether listed company	YES (Listed on 24th April 2017)
x)	Name, Address and Contact details of Registrar and Transfer Agent, if any	
xi)	Name	KFin Technologies Private Limited.
xii)	Address	KFin Technologies Private Limited. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad-500032
xiii)	Contact	Tel No.: + 91-40 –67162222 Website:www.Karisma.karvy.com

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of medical impregnated	21006	100

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES



Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of Shares held	Applicable Section
	NA	NA	NA	NA	NA

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

Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2020				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2021				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	1822000	0	1822000	55.21	1822000	0	1822000	55.21	0.00
(b)	Central Government /State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	634000	0	634000	19.21	634000	0	634000	19.21	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	2456000	0	2456000	74.42	2456000	0	2456000	74.42	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00



(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	2456000	0	2456000	74.42	2456000	0	2456000	74.42	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	0	0	0	0.00	0	0	0	0.00	0.00
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	264000	0	264000	8.00	280000	0	280000	8.48	0.48
(b)	Individuals									



	(i) Individuals holding nominal share capital upto Rs.1 lakh	124000	0	124000	3.76	116000	0	116000	3.52	-0.24
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	456000	0	456000	13.82	448000	0	448000	13.58	-0.24
(c)	Others									
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	844000	0	844000	25.58	844000	0	844000	25.58	0.00
	Total B=B(1)+B(2) :	844000	0	844000	25.58	844000	0	844000	25.58	0.00
	Total (A+B):	3300000	0	3300000	100.0	3300000	0	3300000	100.0	0.00
(C)	Shares held by custodians, against which									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	3300000	0	3300000	100.0	3300000	0	3300000	100.0	

**Shareholding of Promoters & Change in shareholding:**

<i>Name of the Share Holder</i>	Shareholding at the beginning of the Year		<i>Date</i>	Cumulative Shareholding during the Year		<i>% Of Change during the year</i>
	<i>No of Shares</i>	<i>% Of total shares of the company</i>		<i>No of Shares</i>	<i>% Of total shares of the company</i>	
MONI DIAMONDS LIMITED	634000	19.21	31/03/2020	634000	19.21	
			31/03/2021	634000	19.21	NIL
REKHA DEVANG KANAKIA	442000	13.39	31/03/2020	442000	13.39	
			31/03/2021	442000	13.39	NIL
SUSHILA PRATAPRAI KANAKIA	440000	13.33	31/03/2020	440000	13.33	
			31/03/2021	440000	13.33	NIL
ANAND PRATAPRAI KANAKIA	337400	10.22	31/03/2020	337400	10.22	
			31/03/2021	337400	10.22	NIL
GAURANG PRATAPRAI KANAKIA	328180	9.94	31/03/2020	328180	9.94	
			31/03/2021	328180	9.94	NIL
AMRITA GAURANG KANAKIA	168000	5.09	31/03/2020	168000	5.09	
			31/03/2021	168000	5.09	NIL
SIDDHARTH GAURANG KANAKIA	50000	1.52	31/03/2020	50000	1.52	
			31/03/2021	50000	1.52	NIL
KAUSHALI GAURANG KANAKIA	28210	0.85	31/03/2020	28210	0.85	
			31/03/2021	28210	0.85	NIL
MONALI GAURANG KANAKIA	28210	0.85	31/03/2020	28210	0.85	
			31/03/2021	28210	0.85	NIL



Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SR NO	Name of the Shareholder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1.	MOTIVE BROKING & ADVISORY PRIVATE LIMITED	140000	4.24	31/03/2020			140000	4.24
				31/03/2021			140000	4.24
2.	NAYSAA SECURITIES LIMITED	104000	3.15	31/03/2020			104000	3.15
				05/03/2021	-4000	Transfer	100000	3.03
				31/03/2021			100000	3.03
3.	NAWAL AGRAWAL	68000	2.06	31/03/2020			68000	2.06
				05/02/2021	-20000	Transfer	48000	1.45
				05/03/2021	-16000	Transfer	32000	0.97
				26/03/2021	-12000	Transfer	20000	0.61
				31/03/2021			20000	0.61
4.	ASHOK BABUBHAI LADE	68000	2.06	31/03/2020			68000	2.06
				29/05/2020	8000	Transfer	76000	2.30
				26/02/2021	-4000	Transfer	72000	2.18
				31/03/2021			72000	2.18



5.	YAGNESH MANAHARLAL JOSHI	52000	1.58	31/03/2020			52000	1.58
				31/03/2021			52000	1.58
6.	KINDLE BROKING PRIVATE LIMITED	20000	0.61	31/03/2020			20000	0.61
				12/03/2021	12000	Transfer	32000	0.97
				31/03/2021	8000	Transfer	40000	1.21
7.	SHRENIK PRAFULCHANDRA SANGHVI	36000	1.09	31/03/2020			36000	1.09
				31/03/2021			36000	1.09
8.	LALBAHADUR RUDRAMANI MISHRA	28000	0.85	31/03/2020			28000	0.85
				11/09/2020	4000	Transfer	32000	0.97
				08/01/2021	4000	Transfer	36000	1.09
				22/01/2021	4000	Transfer	40000	1.21
				05/02/2021	12000	Transfer	52000	1.58
				12/03/2021	8000	Transfer	60000	1.82
				31/03/2021	4000	Transfer	64000	1.94
				31/03/2021			64000	1.94
9.	KIRIT DEEPCHAND SANGHVI	24000	0.73	31/03/2020			24000	0.73
				31/03/2021			24000	0.73



10.	RAHUL PARAFULCHANDR SANGHVI	24000	0.73	31/03/2020			24000	0.73
				31/03/2021			24000	0.73
11.	JIGNESH KIRIT SANGHAVI	24000	0.73	31/03/2020			24000	0.73
				31/03/2021			24000	0.73

Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name/Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	GAURANG PRATAPRAI KANAKIA (Managing Director)				
	At the beginning of the year	328180	9.94	328180	9.94
	Increase / Decrease during the year				
	At the End of the year	328180	9.94	328180	9.94
2.	REKHA DEVANG KANAKIA (Non-Executive Non Independent Director)				
	At the beginning of the year	442000	13.39	442000	13.39
	Increase / Decrease during the year				
	At the End of the year	442000	13.39	442000	13.39
3.	SIDDHARTH GAURANG KANAKIA(Non-Executive Non Independent Director)				
	At the beginning of the year	50000	1.52	50000	1.52
	Increase / Decrease during the year				
	At the End of the year	50000	1.52	50000	1.52
4.	ANAND PRATAPRAI KANAKIA (CFO)				
	At the beginning of the year	337400	10.22	337400	10.22



	Increase / Decrease during the year				
	At the End of the year	337400	10.22	337400	10.22

INDEBTNESS

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 FY				
i) Principal Amount	12,95,027	97,63,466	--	1,10,58,493
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not	--	--	--	--
Total(i+ii+iii)	12,95,027	97,63,466	--	1,10,58,493
Change in Indebtedness during the FY				
- Addition	--	-	--	-
- Reduction	7,94,826	6,000	--	8,00,826
Net Change		(6,000)	--	(8,00,826)
Indebtedness at the end of the FY				
i) Principal Amount	5,00,201	97,57,466	--	1,02,57,667
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	5,00,201	97,57,466	--	1,02,57,667

E. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		Mr. Gaurang Prataprai Kanakia (Managing Director)	
	Gross salary		
	(a)Salary as per provisions contained in section17(1) of the Income Tax Act,1961	NIL	NIL
	(b)Value of perquisites u/s 17(2) of Income Tax Act, 1961	NIL	NIL
	(c)Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	--	--
	Stock Option	--	--
	Sweat Equity	--	--



	Commission - as % of profit - others, specify...	--	--
	Others, please specify	--	--
	Total (A)	NIL	NIL

2. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount
(Sitting Fees)	Rekha Devang Kanakia	Siddharth Kanakia	Hardik Bhatt	Pravin Tarpara	Kamlesh Rajani	
<u>Independent Directors</u>						
Fee for attending Board/Committee Meetings	-	-	-	-	-	-
Commission	--	--	--	--	--	--
Others, please specify						
Total (1)	-	-	-	-	-	-
<u>Other Non-Executive Directors</u>						
Fee for attending board / committee meetings	--	--	--	--	--	--
Commission	--	--	--	--	--	--
Others,	9,75,000					
Total (2)	--	--	--	--	--	--
Total (B)=(1+2)	9,75,000	-	-	-	-	9,75,000/-
Total Managerial Remuneration	--	--	--	--	--	--
Overall Ceiling as per the Act	--	--	--	--	--	--

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Anand Kanakia Chief Financial Officer	Ms Pallavi Lakdawala	Ms. Mariam Bahnan
	Gross salary	-	Rs. 1,05,000	Rs. 30,000/-
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--
	Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	Profits in lieu of salary under section 17 (3) of Income Tax Act, 1961	--	--	--



	Stock Option	--	--	--
	Sweat Equity	--	--	--
	Commission - as % of profit - others, specify...	--	--	--
	Others, please specify	--	--	--
	Total	-	Rs. 1,05,000	Rs. 30,000/-

PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



Annexure-B

Form No. AOC-2

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

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

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

NONE; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS

- a) Name(s) of the related party and nature of relationship: NA
- b) Nature of contracts/arrangements/transactions: NA
- c) Duration of the contracts / arrangements/transactions: NA
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- e) Justification for entering into such contracts or arrangements or transactions: NA
- f) Date(s) of approval by the Board: NA
- g) Amount paid as advances, if any: NA
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA.

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

(*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company.)

Name of Related Party	Nature of contracts /arrangements/ transaction	Duration of the contracts/ arrangement nts/transaction	Salient terms of the contracts or Arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid As advances, if any



KMS Manufacturing (Proprietor firm)	Purchase of Goods and Materials	1 year	2,86,952	30.05.2020	No
KMS Manufacturing (Proprietor firm)	Availing services	1 year	9,30,538	30.05.2020	No
KMS Manufacturing (Proprietor firm)	Sale of Goods & materials	1 year	6,72,32,390	30.05.2020	No
Dermacare Surgical Pvt Ltd	Purchase of Goods and Materials	1 year	8,62,096	30.05.2020	No
KMS Manufacturing Company	Purchase of Goods and Materials	1 year	7,00,000	30.05.2020	No
Dermacare Surgical Pvt Ltd	Sale of Goods & materials	1 year	1,84,586	30.05.2020	No
KMS Manufacturing Company	Sale of Goods & materials	1 year	2,00,000	30.05.2020	No

By Order of the Board of Directors
For and Behalf of KMS Medisurgi Limited.

Sd/-

Rekha Devang Kanakia

Managing Director

DIN: 00346198

Date: 6th September 2021

Place: Mumbai



Annexure-C

Form No. MR-3 SECRETARIAL AUDIT REPORT

(Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule no.9 of the Companies (Appointment and Remuneration
Personnel) Rules, 2014)

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KMS Medisurgi Limited having CIN: L51397MH1999PLC119118 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my verification of the KMS Medisurgi Limited books, papers, minute 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 audit period covering the financial year ended on 31st March, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings
- (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,



2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except following:

1. Company has not paid financial year Dividend within prescribed time.
2. Company has not given notice of closure of trading window for the quarter ended 30.09.2020 within prescribed time.
3. Company has not given Annual Disclosure to be made by an entity identified as a Large Corporate.
4. The Company has not submitted Reconciliation of Share Capital Audit report for the quarter ended 30.06.2020 within prescribed time.
5. The Company has not submitted Investor complaints for the quarter ended 30.09.2020 within prescribed time.
6. The Company has not submitted Shareholding Pattern for the quarter ended 30.09.2020 within prescribed time.
7. The Company has not submitted Disclosure under regulation 74(5) of SEBI(DP) regulations 2018 for the quarter ended 30.09.2020 within prescribed time.
8. Company has not complied with the provision of Regulation 36(3) of SEBI LODR (Regulation),



2015, the information related to the appointment of a new director or re-appointment of a director to Shareholder in Annual report of the company.

9. Company has not given full disclosure under Management Discussion and Analysis report.
10. Company has not mentioned web address in Board report where annual return referred to in sub-section (3) of section 92 has been placed.
11. Company has not disclosed a statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and of individual directors has been made in Director report.

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 period 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

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

For **Naveen Karn & Co.**
Practicing Company Secretary

Sd/-

Naveen Karn

C.P. No.: 22655

Membership No.: 60273

UDIN: A060273C000877991

Place: Vasai

Date: 02 September 2021

This report is to be read with Annexure A which forms an integral part of this report



Annexure A

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

My report of even date is to be 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 our 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Naveen Karn & Co.**
Practicing Company Secretary

Sd/-
Naveen Karn
C.P. No.: 22655
Membership No.: 60273
UDIN: A060273C000877991

Place: Vasai
Date: 02 September 2021

**Annexure-D****MANAGEMENT'S DISCUSSION AND ANALYSIS*****Healthcare Sector: A Snapshot***

The healthcare sector is among one of the most important and fastest growing sectors worldwide. Key growth drivers are demographic trends (population growth and ageing), medical progress and the resulting innovations, rising prosperity (especially in emerging markets), and improved access to medical products and services. In addition, there is a great need for new therapies for a steadily increasing number of diseases. Innovation in products, services and business models remains strong.

Over \$7.8 trillion is spent on healthcare globally. With the healthcare sector growing significantly faster than the overall global economy, these numbers will certainly be much bigger by the end of the decade. In the emerging markets, rising prosperity is further generating above-average growth. Moreover, there is still a great need for new and efficient drugs and therapies.

Healthcare has become one of India's largest sectors – both in terms of revenue and employment. Healthcare comprises of hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. Indian healthcare delivery system is categorized into two major components.

1. Public
2. Private

The Government, i.e. public healthcare system comprises of limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centres (PHCs) in rural areas.

The private sector provides majority of secondary, tertiary and quaternary care with a major concentration in metros, tier I and tier II cities.

India is also cost competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe. India ranks 145th among 195 countries in terms of quality and accessibility of healthcare.

Our 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 Equipment's, Surgery Equipment's, Orthopedic/Physiotherapy Equipment's, Blood Banking Equipment's and other such Surgical Equipment's in India.

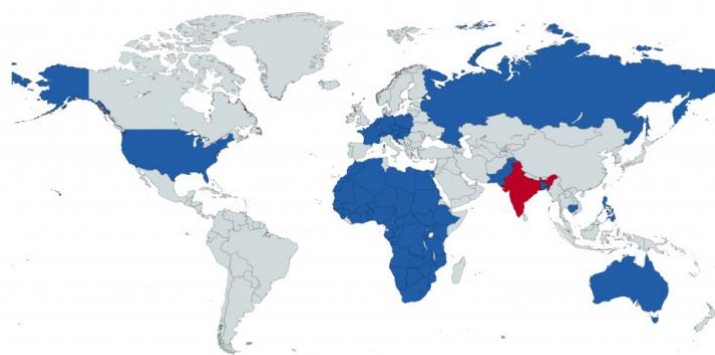
We have been established in 1999 as surgical equipment company and since then we have been successfully launching new concepts through which have helped the Indian Healthcare industry. We bridge the gap between the world technological advancements and Indian Healthcare industry. We are government approved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

Our international presence:

- Vietnam
- Dubai
- Europe
- Australia
- Cambodia
- India
- Africa
- Philippines
- Russia
- Pakistan
- Bangladesh
- USA



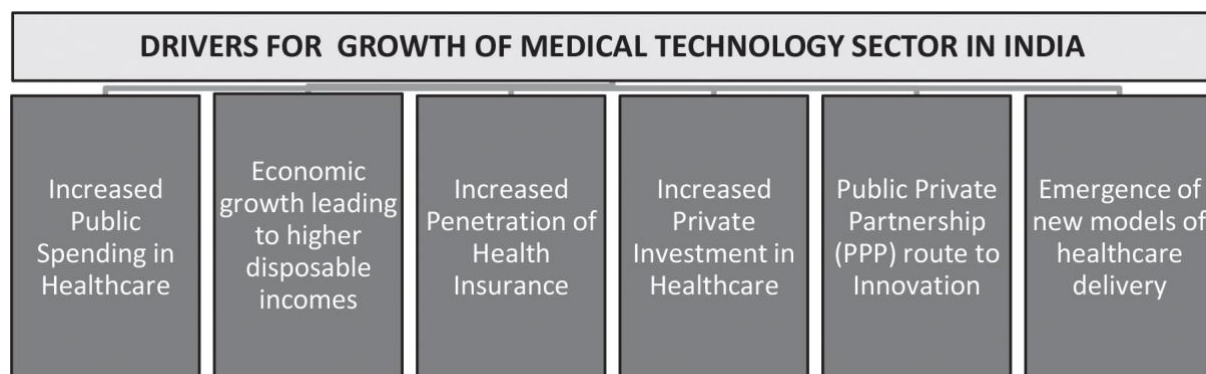
Growth Drivers for Indian Medical Industry:



Having seen tremendous improvement since independence, healthcare in India is still a critical subject and we have a long way to attain universal healthcare beyond the country's demographic, geographic and socio-economic diversity. Several targeted government initiatives have been able to achieve reduction in mortality rates and control widespread communicable diseases; however, burden of Non-Communicable Diseases (NCDs) is ever increasing.

Public sector investment on healthcare in India is one of the lowest globally, accounting for only 30% of the total healthcare expenditure in the country. Out-of-pocket expenditure accounts for 62% of the total healthcare spending against a global average of 18%. Though only 27% of the Indian population is covered by health insurance at present, penetration of the health insurance has been increasing over the years. (Source: <http://www.ficci.in/sector-details.asp?sectorid=108>).

The country needs to address the rural-urban divide in concentration of healthcare services, access to basic primary healthcare services, shortage of beds and skilled medical professionals, increasing burden of NCDs and quality concerns in healthcare, on priority. India is also witnessing the emergence of conscious, informed and tech-savvy healthcare consumers and consequently, the healthcare ecosystem needs to adapt to a patient-centric model to demonstrate greater sensitivity, understand patient expectations, engage with them and provide customized services.



Wound Care Market In INDIA:

Wound care is categorized into two types namely traditional wound care (TWC) and advanced wound care (AWC). Advanced wound care products (AWC) are designed for treating acute & chronic wounds. Chronic wounds take longer to heal and are expensive to treat.

Modern wound care is emerging as a standard treatment option for chronic wounds. Traditional wound care products are being increasingly replaced with advanced wound care products due to their efficiency & effectiveness in healing. The advanced wound care market is segmented on the basis of product, application, end-user, and region to give an in-depth analysis.

***Trends influencing the Advanced Wound Care Market Size:***

- Significant increase in the prevalence of chronic diseases such as diabetes and obesity, increase in the geriatric population, technological advances, problems associated with conventional wound healing procedures, and a boom in the adoption of evidence-based chronic wound therapies drive the growth of the advanced wound care industry.
- In addition, expanded education campaigns for advanced diagnosis & management of wound care, attempts to reduce the length of hospital stay to lower healthcare expenses, and increased propensity toward wound care products that improve clinical outcomes are other factors that contribute to market growth
- The geriatric population is growing at a significant rate, globally. There is a direct correlation between aging and wound healing process — with age, decreased cellular activity reduces the natural ability of the body to close and repair wounds. Hence this raise in geriatric population is invariable impacting the market growth of the Advanced wound care market.

Covid-19 and Indian Wound care Market:

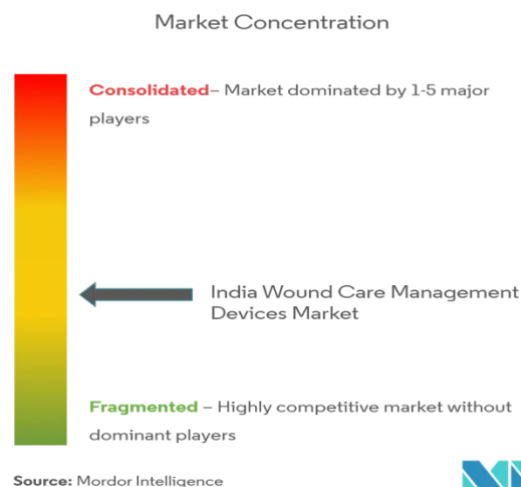
The spread of COVID-19 rapidly developed into a pandemic, causing serious disruptions to health services, including the care of wounded patients. Due to the need, the delivery of wound care, which should be considered an important medical service, has changed. The main objectives of wound care during this time were to prevent major wound complications to reduce hospitalization and surgery, where possible, rather than eliminate wound healing. Before the pandemic, wound care aims to heal patients' wounds with a combination of smart antibiotics, adequate dressing, and proper loading. As this requires regular visits to the hospital, management's focus has shifted to focus on preventing the development of ulcer problems and hospitalization during COVID-19 times in India according to the article published by Avica Atri, Christian Medical College & Hospital, Vellore, Tamil Nadu India, in 2020.

Recently, due to the COVID-19 pandemic, the number of operations cancelled in India is estimated at 48,728 per week or about 585,000 over 12 weeks, as per a 2020 report published in the British Journal of Surgery. They include elective surgeries, such as bariatric, for severe obesity, and metabolic, for type-2 diabetes. Therefore, these number of surgeries are yet to be performed and after the outbreak of COVID-19, which is expected to boost the market in India.



Competitive landscape:

India is a developing country. As result, there is an increasing demand for wound care management devices. This has, in turn, helped in the growth of the wound care management devices market. This has made the market more lucrative. This will encourage the global players to make their presence felt in India. Some of the major players in the country are 3M, Coloplast, Medtronic, and some local players like Centaur Pharma, Axio biosolutions.



Recent Government Initiatives taken by Government in healthcare sector:

- The government has announced Rs 69,000 crore (US\$ 9.87 billion) outlay for the health sector that is inclusive of Rs 6,400 crore (US\$ 915.72 million) for PMJAY in Union Budget 2020-21.
- The Government of India approved the continuation of National Health Mission with a budget of Rs 34,115 crore (US\$ 4.88 billion) under the Union Budget 2020- 21.
- The Government of India aims to increase healthcare spending to three percent of the Gross Domestic Product (GDP) by 2022.
- Under the Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), allocation of Rs 3,000 crore (US\$ 429.25 million) made under Union Budget 2020-21. Source: <https://www.ibef.org/industry/healthcareindia>.
- Health cess 5% announced in the union budget to protect domestic manufacturing – fund collected will be used to upgrade healthcare infrastructure.

Risks Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board of Directors have adopted a Risk Management Policy framed by the Company, which identifies the risk and lays down the risk minimization procedures. The Management reviews the Risk management policies and systems on a regular basis to reflect changes in market conditions and the Company's activities, and the same is reported to the Board of Directors periodically.

Further, the Company, in order to deal with the future risks, has in place various methods / processes which have been imbibed in its organizational structure and proper internal controls are in place to keep a check on lapses, and the same has been modified in accordance with the regular requirements.



The Company has robust risk management procedures to identify and evaluate risks on an ongoing basis. Risks are inherent in business activities and to effectively and efficiently mitigate risks, the Company has implemented a framework: -

- Strategic Risks
- Compliance Risks
- Operational Risks
- Reporting obligations and Environment, Health and Safety Risks
- IT Governance & Enterprise Risk Management
- Management of Risks relating to Sensitive Information Leakage
- Business Continuity and disaster recovery

The identified risks are integrated into the business plan and detailed action plan is laid out to to mitigate the identified business risks and concerns.

Internal Control System & Adequacy

The Company is conscious of the importance of the internal processes and controls. The Company has a robust business planning & review mechanism and has adequate internal control systems commensurate with the nature of its business and size. These systems are regularly reviewed and improved upon. The Key Management has certified to the Board on matters relating to financial reporting and related disclosures, compliance with relevant statutes, Accounting Standards and adequacy of internal control systems. The Company has a detailed budgetary control system and actual performance is reviewed periodically and decisions are taken accordingly.

Environment Health and Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. Safety awareness has been enhanced by way of training on hazard identification and risk assessment. Continuous trainings are provided to all employees. Mock drills on emergency preparedness are conducted regularly.

Opportunity and Future Prospects:

India is among the top-20 markets for the medical adhesives & Tapes in the world and the 4th largest market for medical devices in Asia.. The domestic industry has a huge potential to ramp up indigenous manufacturing and invest in R &D and reduce dependence on imports.

Our Strengths:

Your Company has a strong, committed and dedicated workforce, which is a key to its sustained success. The Company believes that motivation, sense of ownership and satisfaction of its people are the most important drivers for its continued growth. Good governance practices combined with strong



leadership has been the inherent strength of the Company. On the manufacturing front, we continue to build our capabilities and strengthen our processes. Through our robust efforts in implementing important initiatives in Quality and Compliance, we now see consistent positive outcomes from regulatory inspections. Our audit programs and effective internal controls ensure our compliance of all existing rules and regulations.

Competition:

The medical device industry is undergoing some major transformation with the latest technological advancements and the continuous influx of manufacturers entering the market. One of the biggest industries in healthcare, the medical device industry thrives on innovation and technology but currently witnesses strong competition in the market.



Annexure-E

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING& OUTGO:

A .Conservation of Energy

We strongly feel towards our responsibility and contribution to preserve our environment.

The Company has considered sustainability as one of the strategic priority across all process. The company has been consciously making efforts year on year towards improving the energy performance. Energy efficiency improvement Initiatives have been implemented across all the Plants and Offices

During the year, the Company has taken the following initiatives for conservation of energy:

- Reduction of water consumption, recycling of waste water and rain water harvesting.
- Turbo Ventilators installed in place of electric exhaust fans to reduce energy consumption.
- Adoption of higher cavitation moulds to provide higher output enabling lower energy consumption.
- Replacement of conventional lamps/lights with LED lamps/lights.
- Voltage optimization and power factor improvements to reduce energy consumption.
- Improving machine efficiency through continuous improvement in technology.

Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

- Installation of energy efficient Chillers to reduce energy consumption
- Inefficient pumps replaced with new generation energy saving pumps.
- Inefficient motors replaced with new generation energy saving motors.
- Improving production efficiency through Standardization of process.

The above measures helped in reduction of power, fuel, air and water consumption and made the company more sustainable.

B. Technology Absorption Efforts made in technology absorption:

Specific Area in which R&D carried out by the Company

- Development of new design, processes and products based on customer/market requirements.
- Development of new equipment's for process improvement.
- Carrying out ongoing research
- Research work to reduce plastic consumption for manufacturing of medical devices and reduce cycle time of moulds to make the products more cost effective
- Quality up-gradation of existing medical devices
- Optimization of products and processes to minimize waste generation and reduce safety concerns Development of new analytical tools & methods



- Import substitution and identification, testing and validation of new raw materials from indigenous suppliers.

Benefits derived as a result of the above R&D:

- Constant up-gradation and adoption of new technology for better productivity, yield and quality
- Reduction of cycle time in manufacturing process and material consumption
- Achieving competitive prices and product quality
- Improving Productivity and Process efficiencies
- Significant quality improvement in existing products
- Enhanced Global presence/visibility
- Development and commercialization of new products.

Technology Absorption, Adaption and Innovation Efforts in brief made towards technology absorption, adaption and innovation:

The Company's Research and Development division is continuously engaged in Research and Development of new & existing products and processes. The Company has also developed indigenous technologies and testing of products. It is the philosophy of the Company to continuously upgrade the technology and products in accordance with global standards.

In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year), following information may be furnished:

a)	Technology Imported.	No Imported Technology
b)	Year of Import.	
c)	Has the technology been fully absorbed.	
d)	If not fully absorbed, areas where these has not being taken place, reasons thereof and future plans of action.	

C. Foreign Exchange Earnings and Outgo:

The Company continues to keep its focus on widening of new geographical area to augment its exports. The Company is regularly participating in major overseas conferences and trade shows, which are helpful in improving the visibility of various products in international markets and widening its customer base. The Company does not have any foreign earnings.



Annexure-F

APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL.

1. 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 Tarpura (DIN 08689556)	-
Gaurang Prataprai Kanakia (DIN: 00346180)	-

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

2. 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	MD	Not paid
Anand Prataprai Kanakia	CFO	NIL
Pallavi Lakdawala	Company Secretary	NIL
Mariam Bahnan	Company Secretary	NIL

3. The percentage increase in the median remuneration of employees in the financial year:26.45%.
4. The number of permanent employees in the Company as on 31stMarch, 2020: 19 (NINETEEN).
5. Affirmation that the remuneration is as per the remuneration policy of the Company: It is affirmed that the remuneration paid to Directors,
6. Key Managerial Personnel and other senior management is as per the remuneration policy of the company.
7. 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.

*Annexure-G***OTHER DISCLOSURES & INFORMATION*****FAMILIARIZATION PROGRAMS FOR INDEPENDENT DIRECTORS:***

Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the familiarization program aims to provide Independent Directors with the industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization program also seeks to update the Directors on the roles, responsibilities, rights and duties under The Companies Act, 2013 and other statutes. The Chairman and Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's The detail of the familiarization program.

PERFORMANCE EVALUATION;

Pursuant to the provisions of Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of all the Committees of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non- Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

VIGIL MECHANISM/WHISLEBLOWER POLICY:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct.

The Whistle Blower Policy and Vigil Mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.



The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

Your Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The policy is available on the Companies website: www.kmsgroup.in.

CODE OF CONDUCT:

Regulation 17(5) of the SEBI Listing Regulations, 2015 requires listed Companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013. Your Company has adopted and laid down a code of conduct for all Board members and Senior Management of the company pursuant to Clause 49 of the erstwhile listing agreement. The code of conduct is available on the website of the company . All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Managing Director is given in this Annual Report.

MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS WHICH MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF THE COMPANY AT LARGE:

All transactions entered into with Related Parties as defined under The Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms' length pricing basis and do not attract the provisions of Section 188 of The Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to accounts attached to the Stand-Alone Financial Statements. The policy is available on the Companies website: www.kmsgroup.in.

RECONCILIATION OF SHARE CAPITAL AUDIT:

As stipulated by Securities and Exchange Board of India (SEBI), Mr. Naveen Karn, practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to Stock Exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.



INSIDER TRADING

The Company has adopted a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices' in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. The policy lays down procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them of the consequences of violations.

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, is available on the Company's website.

DISCLOSURE OF MATERIAL TRANSACTIONS:

Under regulation 26(5) of SEBI Listing Regulations, 2015, Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. None of the independent directors have any material pecuniary relationship or transactions with its Promoters, its Directors, its senior management or its subsidiaries which may affect their independence and have received a declaration from them to this effect.

**By Order of the Board of Directors
For KMS Medisurgi Limited**

Sd/-
(Rekha Devang Kanakia)
DIN: 00346198
Managing Director
Place: Mumbai
Date: 6th September 2021



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Names of Director	DIN	Date of appointment in Company
1	Mr. Gaurang Kanakia	00346180	11/08/2016
2	Mrs. Rekha Devang Kanakia	00346198	17/03/2016
3	Mr. Hardik Rajnikant Bhatt	07566870	14/07/2016
4	Mr. Kamlesh Chunilal Rajani	07588417	11/08/2016
5	Mr. Siddharth Gaurang Kanakia	07595098	02/05/2018
6	Mr. Pratik Pravin Tarpara	08689556	12/02/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My 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 Naveen Karn & Co.
Practicing Company Secretary
Sd/-
Naveen Karn
C.P. No.: 22655
Membership No.: 60273
UDIN: A060273C000878112

Place: Vasai
Date: 06th September 2021



**DECLARATION BY THE MANAGING DIRECTOR REGARDING COMPLIANCE BY
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF
CONDUCT**

To,
The Members of KMS MEDISURGI LIMITED

In accordance with Clause D of Schedule V of the SEBI (LODR) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel including me, have affirmed compliance to their respective Codes of Conduct, as applicable for the financial year ended March 31, 2020.

By Order of the Board of Directors
For KMS Medisurgi Limited

Sd/-
(Rekha Kanakia)
DIN: 00346198
Managing Director

Date: 6th September 2021
Place: Mumbai



MD/CFO CERTIFICATION

To,
The Board of Directors,
KMS Medisurgi Limited

We hereby certify the following as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that:

- 1) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 and that to the best of our knowledge and belief :
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. 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 violate the Company's Code of Conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal controls systems of the Company pertaining to financial reporting and 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 further certify that:
 - a. there have been no significant changes in internal control over financial reporting during the period under review;
 - b. there have been no significant changes in accounting policies made during the period and that the same have been disclosed in the notes to the financial statements; and
 - c. there have been no 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.

Place: Mumbai

Date: 6th September 2021

Sd/-
(Anand Prataprai Kanakia)
Chief Financial Officer

Sd/-
(Rekha Kanakia)
Managing Director
(DIN: 00346198)



INDEPENDENT AUDITOR'S 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, 2021, 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, 2021, 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 designs, implementation and maintenance of adequate internal financial controls, that were operating efficiently, for ensuring the accuracy and completeness of accounting records prevalent to preparation and presentation of 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 scepticism 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 case accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management use of going concern basis of accounting and based on 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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:
 - 1. The Company does not have any pending litigations which would impact its financial position.
 - 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-
Kalpesh M. Jain
Partner
Membership No.: 140164
UDIN: 21140164AAAADC4367

Place: Mumbai
Date: 29th June 2021



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, 2021

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. The company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets. 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

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. 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.



ANNEXURE B TO THE INDEPENDENT AUDITOR'S 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, 2021.

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, 2021 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.

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, 2021, 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: 21140164AAAADC4367

Place: Mumbai
Date: 29th June 2021



FINANCIAL STATEMENTS

KMS MEDISURGI LIMITED Balance sheet as on 31st March 2021

<i>Particulars</i>	<i>Notes</i>	<i>As on 31st March 2021</i>	<i>As on 31st March 2020</i>
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share Capital	2	3,30,00,000	3,30,00,000
Reserves & Surplus	3	3,15,36,269	3,04,72,273
Total Equity		6,45,36,269	6,34,72,273
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	1,02,57,667	1,10,58,493
CURRENT LIABILITIES			
Short Term Borrowings	5	-	-
Trade Payables	6	1,76,25,130	1,53,46,670
Other Current Liabilities	7	3,60,564	10,01,495
Short Term Provisions	8	5,67,797	1,98,916
TOTAL CURRENT LIABILITIES		1,85,53,491	1,65,47,081
TOTAL LIABILITIES		9,33,47,427	9,10,77,847
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	9	1,64,36,933	1,81,41,458
Non-Current Investments	10	16,012	16,012
Long Term Loans & Advances	11		-
CURRENT ASSETS			
Inventories	12	66,67,245	1,35,02,602
Trade Receivables	13	6,27,68,464	5,49,61,980
Cash & Cash Equivalents	14	61,26,621	29,14,678
Short Term Loans & Advances	15	12,23,670	15,32,140
Other Current Assets	16	8,482	8,977



TOTAL CURRENT ASSETS		7,67,94,482	7,29,20,377
TOTAL ASSETS		9,33,47,427	9,10,77,847
Notes forming part of Financial Statements	1-39		

As per our report of event dated annexed

For and Behalf for Board of Directors

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

Kalpesh Jain
 Partner
 Membership No:140164.

Place: Mumbai
 Date: June 29th 2021

Sd/-

Gaurang Prataprai Kanakia
 Managing Director

Sd/-
 Anand Prataprai Kanakia
 CFO

Sd/-

Rekha Devang Kanakia
 Director

Sd/-
 Mariam Bahnan
 Company Secretary



KMS MEDISURGI LIMITED
Statement of Profit & Loss for the year ended 31st March 2021

Particulars	Notes	Year ended 31st March 2021	Year ended 31st March 2020
INCOME:			
Revenue from Operation	17	7,50,97,798	10,34,41,044
Other Income	18	9,64,376	(32,034)
Total Revenue		7,60,62,174	10,34,09,010
EXPENSES:			
Cost of Material Consumed	19	5,66,83,308	7,13,95,152
Purchase Of Stock in Trade	20	10,28,630	34,33,987
Change in Inventories of Stock in Trade	21	-	44,54,000
Employee Benefit Expenses	22	68,37,974	75,89,348
Finance Cost	23	3,32,485	7,10,242
Other Expenses	24	54,94,338	99,50,468
Depreciation & Amortization expenses	9	33,12,389	40,52,037
Total Expenses		7,36,89,124	10,15,85,234
Profit before Extraordinary Exp.		23,73,050	18,23,776
Extraordinary Expenses		-	-
Profit before Tax		23,73,050	18,23,776
Provision for Tax		7,89,000	7,00,000
Profit before taxes		15,84,050	11,23,776
Less: Prior year's tax adjustments		3,55,054	-
Profit for the year		12,28,996	11,23,776
Basic and diluted earnings per share (in `)		0.37	0.34
Significant Accounting Policies	2		
Other Notes	25 to 29		



As per our report of event dated annexed

For and Behalf for Board of Directors

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

Kalpesh Jain
Partner
Membership No:140164.

Sd/-

Gaurang Prataprai Kanakia
Managing Director

Sd/-

Rekha Devang Kanakia
Director

Place: Mumbai
Date: June 29th 2021

Sd/-

Anand Prataprai Kanakia
CFO

Sd/-

Mariam Bahnan
Company Secretary



KMS MEDISURGI LIMITED
Standalone Cashflow Statement for the year ended 31st March 2021

	Particulars	Year ended 31 st March 2021		Year ended 31 st March 2020	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit for the year		15,84,050		11,23,776
	Adjustments for :				
	Depreciation	33,12,389		40,52,037	
	Interest paid	85,170		1,68,066	
	Interest received	(6,65,567)		(2,62,157)	
			27,31,992		39,57,946
	Operating Profit before Working Capital Changes		43,16,042		50,81,722
	<i>Adjustments for:</i>				
	Increase / (Decrease) in Trade payables	22,78,460		(1,41,33,631)	
	Increase / (Decrease) in Other Current Liabilities	(6,40,931)		2,47,016	
	Increase / (Decrease) in Short Term Provisions	3,68,881		(11,13,708)	
	(Increase) / Decrease in Inventories	68,35,357		45,97,200	
	(Increase) / Decrease in Other Current Assets	495		55,395	
	(Increase) / Decrease in Short Term Loans & Advances	64,464		12,64,834	
	(Increase) / Decrease in Trade & Other receivables	(78,06,484)	11,00,242	(44,54,289)	(1,35,37,183)
	Cash Generated from Operations		54,16,284		(84,55,461)
	Direct taxes paid		(1,11,048)		98,449
	Net Cash from Operating Activities	[A]	53,05,236		(83,57,012)
B	CASH FLOW FROM INVESTMENT ACTIVITIES				
	Purchase of Assets		(17,07,864)		(1,58,460)



	Sales of Assets		-		-
	Sales / (Purchases) of Investments		-		-
	Interest received		6,65,567		2,62,157
	Dividend received		-		-
	Net Cash from Investing Activities	[B]	(10,42,297)		1,03,697
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from borrowings		(8,00,826)		(2,17,906)
	Repayment of borrowings		-		-
	Increase in Share Capital		-		-
	Increase in Share Premium		-		-
	Interest Expenses		(85,170)		(1,68,066)
	Dividend On Equity Shares		(1,65,000)		(1,65,000)
	Dividend Distribution Tax		-		(33,916)
	Net Cash Flow from Financial Activities	[C]	(10,50,996)		(5,84,888)
	Net Cash increase/(Decrease) in cash and Cash equivalents	(A+B+C)	32,11,943		(88,38,203)
	Cash and Cash Equivalents (Opening):				
	Cash on Hand	78,387		4,42,802	
	Balance with Banks	28,36,291	29,14,678	1,13,10,079	1,17,52,881
	Cash and Cash Equivalents (Closing):				
	Cash on Hand	1,11,990		78,387	
	Balance with Banks	60,14,631	61,26,621	28,36,291	29,14,678

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.

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



As per our report of event dated annexed

For and Behalf for Board of Directors

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

Kalpesh Jain
Partner
Membership No:140164.

Sd/-

Gaurang Prataprai Kanakia
Managing Director

Sd/-

Rekha Devang Kanakia
Director

Place: Mumbai
Date: June 29th 2021

Sd/-

Anand Prataprai Kanakia
CFO

Sd/-

Mariam Bahnan
Company Secretary



KMS MEDISURGI LIMITED
Notes to Financial Statements for the year ended 31st March 2021

Note 2 : Share Capital:

2.1	Authorized :		March-2021	March-2020
	35,00,000 Equity Shares of Rs. 10/- each		3,50,00,000	3,50,00,000
2.2	Issued , Subscribed, & Fully Paid Up :			
			3,30,00,000	3,30,00,000
	Total		3,30,00,000	3,30,00,000

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

Particulars	As at 31st March 2021		As at 31 March 2020	
	Number	`	Number	`
Equity Shares at the beginning of the year	33,00,000	3,30,00,000	33,00,000	3,30,00,000
Add : Issued during the year	-	-	-	-
Add : Bonus Shares Issued during the year	-	-	-	-
Equity Shares at the end of the year	33,00,000	3,30,00,000	33,00,000	3,30,00,000

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

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

Name of the Shareholder	As at 31st March 2021		As at 31 March 2020	
	No of Shares held	Shares Held %	No of Shares held	Shares Held %
Moni Diamonds Ltd	6,34,000	19.21%	6,34,000	19.21%
Gaurang Kanakia	3,28,180	9.94%	3,28,180	9.94%
Anand Kanakia	3,37,400	10.22%	3,37,400	10.22%



Rekha Kanakia	4,42,000	13.39%	4,42,000	13.39%
Sushila Kanakia	4,40,000	13.33%	4,40,000	13.33%
Amrita Kanakia	1,68,000	5.09%	1,68,000	5.09%

Note 3 : Reserves & Surplus:

<i>Securities Premium Account</i>	As at 31st March 2021		As at 31 March 2020
Opening Balance	1,88,06,452		1,88,06,452
Additions during the year	-		-
		1,88,06,452	1,88,06,452
Statement of Profit & Loss			
Opening Balance	1,16,65,821		1,07,40,961
Add: Profit/(Loss) for the year	12,28,996		11,23,776
	1,28,94,817		1,18,64,737
Less :			
Dividend distributed to equity shareholders	1,65,000		1,65,000
Tax on Dividend	-		33,916
		1,27,29,817	1,16,65,821
		3,15,36,269	3,04,72,273

Note 4 : Long term Borrowings:

SECURED LOANS		31 st March 2021	31 st March 2020
Vehicle Loans		5,00,201	12,95,027
	Total (A)	5,00,201	12,95,027
UNSECURED LOANS			
From Shareholders/Directors		88,37,539	88,43,539
From Others		9,19,927	9,19,927
	Total (B)	97,57,466	97,63,466
Total (A) + (B)		1,02,57,667	1,10,58,493

Note 5: Short Term Borrowings:

SECURED LOANS			
Working Capital Loan from Banks		-	-
		-	-

Note 6: Trade Payables:

	31 st March 2021	31 st March 2020
Outstanding Dues to Micro & Small Enterprises	14,34,206	35,15,860



Outstanding Dues to creditors Other than Micro & Small Enterprises	1,61,90,924	1,18,30,810
	1,76,25,130	1,53,46,670

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

Note 7: Other Current Liabilities:

OTHER CURRENT LIABILITIES	31 st March 2021	31 st March 2020
Other Payables	3,60,564	10,01,495
	3,60,564	10,01,495

Note 8: Short term provisions:

<u>Short Term Provisions</u>	31 st March 2021	31 st March 2020
Provision for proposed equity dividend	1,65,000	1,65,000
Provision for tax on proposed dividend	-	33,916
Provision for Taxation (Net)	4,02,797	-
	5,67,797	1,98,916

Note 10: Non-Current Investments:

Non-Current Investments	31 st March 2021	31 st March 2020
Trade - Unquoted		
National Saving Certificates (Deposited with Govt Authorities)	16,012	16,012

Note 11: Long term Loans and Advances:

Advance towards Factory Premises	-	-
	-	-

Note 12: Inventories:

INVENTORIES	31 st March 2021	31 st March 2020
Stock in Trade		
At cost or net realizable value whichever is lower		
(As per Inventories certified by the Directors)	66,67,245	1,35,02,602

Note 13: Trade Receivables:

TRADE RECEIVABLES	31 st March 2021	31 st March 2020
(Unsecured, Considered Good)		
Due for more than six months from the due date of payment	1,28,68,747	82,95,943
Other trade receivables	4,98,99,717	4,66,66,037
	6,27,68,464	5,49,61,980



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

Note 14: Cash. And Cash Equivalents:

CASH AND CASH EQUIVALENTS	31st March 2021	31st March 2020
Cash on Hand	1,11,990	78,387
Balance with Scheduled Banks in:		
Current Accounts	28,65,554	4,25,921
Deposit Accounts (Pledged with banks)	30,52,787	22,65,592
Margin Money Accounts	96,290	1,44,778
TOTAL	61,26,621	29,14,678

Note 15: Short Term Loans and Advances:

SHORT TERM LOANS AND ADVANCES	31st March 2021	31st March 2020
(Unsecured, considered good)		
Other Short Term Advances	1,83,000	2,20,213
Advance payment of taxes (net)	-	2,44,006
Security & Other Deposits	10,40,670	10,67,921
TOTAL	12,23,670	15,32,140

Note 16: Other Current Assets:

<u>OTHER CURRENT ASSETS</u>	31st March 2021	31st March 2020
Prepaid Expenses	8,482	8,977
	8,482	8,977

Note 17: Revenue from operations:

<u>REVENUE FROM OPERATIONS</u>	31st March 2021	31st March 2020
Sale of Products		
Traded Goods	3,51,35,615	5,28,75,619
Raw Material	3,80,30,798	4,72,51,487
Income from Job work contract	19,31,385	33,13,938
	7,50,97,798	10,34,41,044

Note 18: Other Income:

<u>OTHER INCOME</u>	31st March 2021	31st March 2020
Interest	6,65,567	2,62,157
Others	41,011	-
Net Gain on Foreign Currency transaction and translations	2,57,798	(2,94,191)
Sundry Balance written back	-	-
	9,64,376	(32,034)

**Note 19: Cost of Material Consumed:**

<u>COST OF MATERIAL CONSUMED</u>	31st March 2021	31st March 2020
Opening Stock	1,35,02,602	1,36,45,802
Add : Purchases	4,98,47,951	7,12,51,952
Less: Closing Stock	66,67,245	1,35,02,602
TOTAL	5,66,83,308	7,13,95,152

Note 20: Purchase of Stock in Trade:

<u>PURCHASE OF STOCK IN TRADE</u>	31st March 2021	31st March 2020
Purchase of Traded Goods	10,28,630	34,33,987
	10,28,630	34,33,987

Note 21: Change in Inventories of Stock in Trade:

<u>CHANGE IN INVENTORIES OF STOCK IN TRADE</u>	31st March 2021	31st March 2020
Opening Stock	-	44,54,000
Closing Stock	-	-
(Increase)/Decrease	-	44,54,000

Note 22: Employee Benefit Expenses:

<u>EMPLOYEE BENEFIT EXPENSES</u>	31st March 2021	31st March 2020
Salaries, Wages, Allowances & Bonus	67,75,495	73,50,203
Contribution to Gratuity Fund	52,975	66,425
Staff Welfare Expenses	9,504	1,72,720
	68,37,974	75,89,348

Note 23: Finance Cost:

<u>FINANCE COST</u>	31st March 2021	31st March 2020
Interest Paid to Banks	85,170	1,68,066
Bank Charges	2,47,315	5,42,176
	3,32,485	7,10,242

Note 24: Expenses:

	31st March 2021	31st March 2020
BSE Listing Fees	25,000	25,000
Freight Charges	1,83,919	4,02,861
Delivery, Handling & Transportation Charges	11,71,359	11,46,278
Job work Charges	6,68,834	22,36,184
Printing & Stationery.	18,965	60,517
Legal & Professional Charges.	1,89,000	4,75,490
Postage & Telephones.	1,59,904	1,49,151
Electricity & Fuel Charges	6,87,530	10,27,891



Electricity & Fuel Charges	83,914	1,46,462
Repairs and Maintenance Charges	7,17,914	13,15,973
Rent & Taxes	44,064	30,095
Warehousing charges	12,625	74,910
Software & Website Charges	1,33,157	85,910
Sales Promotion Expenses	8,640	48,700
Audit Fees	25,000	25,000
Travelling and Conveyance	2,30,409	6,18,868
Tender, Registration & Licenses Fees	9,080	12,675
Sundry balances written off	77,579	2,71,580
Miscellaneous expenses	10,47,445	17,96,923
TOTAL	54,94,338	99,50,468

**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.*

Note 26 :Deferred Tax:

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.

		As at 31st March 2021	As at 31 March 2020
	<i>The break-up of deferred tax assets / liability</i>		
A	Deferred Tax Assets		
	Difference between tax and Book written down value	38,24,960	36,35,262
		38,24,960	36,35,262
B	Deferred Tax Liability		
	Deferred Revenue Expenses	-	-
		-	-
C	Net Deferred Tax Assets	38,24,960	36,35,262
D	Deferred Tax Assets / (Liability)	11,81,913	11,23,296

Note 27: Earnings per Share:

Particulars	As at 31st March 2021	As at 31 March 2020
Net Profit / (Loss) as per Profit and Loss Account (A) Rs.	12,28,996	11,23,776
Weighted average number of shares outstanding during the period (B) Nos	33,00,000	33,00,000
Basic & Diluted Earnings per share of Rs.10 each (A/B)	0.37	0.34

**Note 28: Related Party Transactions:**

<u>A</u>	<u>Relationships</u>		
<u>i)</u>	<u>Key Management Personnel & Relatives</u>		
	Gaurang Kanakia - Director	Amrita Kanakia - Relative of the director	
	Siddharth Kanakia-Director	KMS Manufacturing- Proprietary firm of a director	
	Rekha Kanakia - Director		
	Anand Kanakia-Relative of the director	KMS Tours & Travel-Proprietary firm of a director	
ii)	<u>Enterprise having a Common Management Personnel</u>		
	Dermacare Surgicals Pvt Ltd		
	KMS Manufacturing Ltd		
<u>Related Party Relationship is as identified by the Company and relied on by the Auditors</u>			
<u>B</u>	<u>Details of Transaction with Related Parties</u>		
	<u>Nature of Transactions</u>	<u>For the year Ended 31st</u>	
	<u>Transactions with A(i)</u>	<u>March 2021</u>	<u>March 2020</u>
i)	Expenditure		
	Purchase of Goods and Materials	2,86,952	4,58,937
	Salaries	9,30,538	9,75,000
ii)	Income		
	Sales of Goods and Materials	6,72,32,390	8,43,97,790
iii)	Outstanding Balances		
	Unsecured Loan	97,57,466	88,43,539
	Sundry Debtors	5,50,64,193	5,01,37,799
	Transactions with A(ii)		
i)	Purchase of Goods and Materials	15,62,096	11,62,314
ii)	Sale of Goods and Materials	3,84,586	37,45,426
iii)	Outstanding Balances		
	Sundry Debtors	-	4,14,500
	Sundry Creditors	24,88,706	-

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

**Note 31: Sales.**

<i>Particulars</i>	<i>As at 31st March 2021</i>	<i>As at 31 March 2020</i>
Surgical Products (a)	3,51,35,615	5,28,75,619
Notes : (a) Surgical Products includes Surgipore Tapes, Absorbable Gelatin Surgical Sponge, Microporous Surgical Foam Tape, Fleece Fabric, Transparent Tape, Dressing Silicon Gel Sheet etc		

Note 32: Raw Materials Consumed:

<i>Particulars</i>	<i>As at 31st March 2021</i>	<i>As at 31 March 2020</i>
Non-woven Fabric & Others	5,66,83,308	7,13,95,152

Note 33: VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED

	<i>As at 31st March 2021</i>	<i>%</i>	<i>As at 31 March 2020</i>
Imported	3,11,75,819	45.00%	3,21,27,818
Indigenous	2,55,07,489	55.00%	3,92,67,334
TOTAL	5,66,83,308	100%	7,13,95,152

Note 34: Purchase's:

<i>Particulars</i>	<i>As at 31st March 2021</i>	<i>As at 31 March 2020</i>
Surgical Products (a)	10,28,630	34,33,987

Notes :

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

Note 35: Closed Finished Goods Stock:

<i>Particulars</i>	<i>As at 31st March 2021</i>	<i>As at 31 March 2020</i>
Surgical Products (a)	-	-

Note 36: Value of Imports on CIF Basis:

<i>Particulars</i>	<i>As at 31st March 2021</i>	<i>As at 31 March 2020</i>
Raw Material	1,77,24,061	2,66,58,561



Spares parts and Components	-	-
Capital Goods	10,39,500	-
TOTAL	1,87,63,561	2,66,58,561

Note 9 : FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 1.4.2020	ADDITIONS	DEDUC- TIONS	AS AT 31.03.2021	UP TO 1.4.2020	DEDUC- TION	FOR THE YEAR	TOTAL	AS AT 31.03.2021	AS AT 31.3.2020
Factory Building	1,39,79,980	-	-	1,39,79,980	70,10,888	-	6,60,615	76,71,503	63,08,477	69,09,092
Plant and Machinery	2,44,47,880	14,94,568	-	2,59,42,448	1,65,56,044	-	15,64,936	1,81,20,980	78,21,468	78,91,836
Vehicles	96,15,825	-	-	96,15,825	67,02,931	-	8,58,403	75,61,334	20,54,491	29,12,894
Computers	3,98,327	1,21,093	-	5,19,420	3,27,244	-	89,961	4,17,205	1,02,215	71,083
Furniture and Fixtures	3,62,654	-	-	3,62,654	3,09,537	-	9,694	3,19,231	43,423	53,117
Office Equipment	9,86,857	92,203	-	10,79,060	7,50,888	-	1,26,835	8,77,723	2,01,337	2,35,969
Electrical Fittings	47,999	-	-	47,999	40,532	-	1,945	42,477	5,522	7,467
TOTAL Rs.	4,98,39,522	17,07,864	-	5,15,47,386	3,16,98,064	-	33,12,389	3,50,10,453	1,65,36,933	1,81,41,458
PREVIOUS YEAR Rs.	4,96,81,062	1,58,460	-	4,98,39,522	2,76,46,027	-	40,52,037	3,16,98,064	1,81,41,458	



Significant accounting Policies:

- **Basis of preparation and presentation of financial statements :**

The Financial Statements of the company has been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under historical cost convention.

- **Use of Estimates :**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

- **Inventories**

Inventories consist of Raw Materials and Packing Materials, Work –In-Process, Finished goods and Stores. Inventories are valued at lower of cost and net realizable value. The cost is determined on First In First Out basis. The cost of work in process and finished goods includes material and packing cost, proportion of labour and manufacturing overheads.

- **Cash Flow Statement :**

Cash Flow Statement has been prepared by adopting the Indirect Method as prescribed under para 18 of Accounting Standard-3 (AS-3) on "Cash Flow Statement".

- **Fixed Assets :**

Fixed Assets are stated at Cost less accumulated depreciation and impairment provisions. The cost comprises purchase price (Net of Cenvat/Vat Credit wherever applicable) and any attributable cost of bringing the asset to its working conditions for its intended use , inclusive of financing cost till commercial production.

- **Depreciation :**

Depreciation on Fixed Assets is provided over the useful life of the assets as specified in Part C of Schedule II to the Companies Act, 2013. In case of fixed assets which are added/disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

- **Impairment of Assets :**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances



- **Investments**

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

- **Revenue Recognition :**

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

- **Transaction in Foreign Currency :**

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

- **Provision for Taxation :**

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

- **Employee Benefits:**

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

No provision is made for encashment of unveiled leave payable on retirement of employees.

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