



# KMS MEDISURGI LIMITED

CIN L51397MH1999PLC119118

Plot no. 297-301, May Building, Gr. Floor Marine lines (EAST), Princess  
Mumbai City

MH-400002 IN Ph-022-66107700/22, 022-67498822, Facsimile: +91-22-2206111

Website:-www.kmsgroup.in, E-mail id: info@kmsgroup.in

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September 06, 2023

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001

Subject: Annual Report FY 2022-23

Reference: KMS Medisurgi Limited (Scrip code – 540468)

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2022-23.

Kindly take the same on record and oblige.

Yours Faithfully,  
For KMS MEDISURGI LIMITED

A handwritten signature in blue ink, appearing to read 'S. Kanakia', written over a horizontal line.

Siddharth Kanakia  
Managing Director  
DIN: 07595098



# ANNUAL REPORT

## 2022-23

**KMS MEDISURGI LIMITED**



**BOARD OF DIRECTORS**

Mr. Siddharth Gaurang Kanakia  
 Mrs. Rekha Devang Kanakia  
 Mr. Rohan Devang Kanakia  
 Ms. Monali Gaurang Kanakia  
 Mr. Gaurang Prataprai Kanakia  
 Mr. Hardik Rajnikant Bhatt  
 Mr. Kamlesh Rajani Chunilal  
 Mr. Pratik Pravin Tarpara

**CORPORATE INFORMATION**

Chairman & Managing Director (wef May 29, 2023)  
 Chairman and Managing Director (upto May 03, 2023)  
 Director (wef May 03, 2023)  
 Director (wef May 03, 2023)  
 Non-Executive Non Independent Director (wef May 03, 2023)  
 Independent Director  
 Independent Director  
 Independent Director

**KEY MANAGERIAL PERSONNEL**

Mr. Anand Prataprai Kanakia      Chief Financial Officer  
 Mr. Sunny Gupta                      Company Secretary and Compliance Officer

**SECURITIES LISTED ON**

BSE Limited (SME Platform)

**CORPORATE IDENTITY NUMBER**

L51397MH1999PLC119118

**SECRETARIAL AUDITORS**

Naveen Karn & Co.  
 112, MIT Industrial Estate, Chinchpada,  
 Vasai (E), Palghar - 401208

**STATUTORY AUDITORS**

Dalal Doctor & Associates  
 224-225, T.V. Estate, S. K. Ahire Marg, Worli,  
 Mumbai - 400030

**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](mailto:info@kmsgroup.in)  
 Website: [www.kmsgroup.in](http://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](mailto:einward.ris@kfintech.com)  
 Website: [www.kfintech.com](http://www.kfintech.com)



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**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of KMS Medisurgi Limited will be held on Saturday, September 30, 2023 at 3.00 p.m. at its Registered Office situated at 297/301 May Building, Gr. Floor Marine lines(East), Princess Street, Mumbai-400002 to transact the following business.

***ORDINARY BUSINESS:***

**1. Adoption of Financial Statement**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon.

**2. Declaration of Dividend**

To declare a final dividend of ₹ 0.05 (0.5%) per equity share for the Financial Year ended March 31, 2023.

**3. Re- appointment of Mr. Rohan Devang Kanakia (DIN: 09220915) as a Director liable to retire by rotation**

To appoint a Director in place of Mr. Rohan Devang Kanakia (DIN: 09220915), who retires by rotation and being eligible offers himself for reappointment.

***SPECIAL BUSINESS:***

**4. To Ratify/Approve the Related Party Transaction of the Company for FY 2023-24:**

*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 Section 188 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time), the approval / ratification of the members of the Company, be hereby, accorded to all the transactions entered or to be entered by the Company with Related Parties in the financial year 2023-24, whether by way of continuation / extension / renewal / modification of earlier arrangements / transactions or otherwise, and entering into further contracts / arrangements / transactions with ‘Related Parties’ as defined under Section 2(76) of the Companies Act, 2013, exceeding the prescribed limits of Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014 during the FY 2023-24 as set out in the Explanatory Statement.”

**Resolved further that** the Board of Directors of the Company, be and is hereby, authorized to do, all such acts, matters, deeds and things, settle any queries / delegate such authority as may be deemed necessary and execute such addendum contracts / arrangements / transactions as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company.”



**5. To appoint Statutory Auditor to fill Casual Vacancy**

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

**“Resolved that** subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. H.H Dedhia & Associates, Chartered Accountants (Firm Registration No. 148213W), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. Dalal Doctor & Associate, Chartered Accountants.

**Resolved further that** M/s. H.H Dedhia & Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold the office from August 23, 2023, until the conclusion of 25<sup>th</sup> Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

**6. Appointment of Statutory Auditor for five years**

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

**“Resolved that** subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2019 and other applicable provisions, if any, M/s. H.H Dedhia & Associates, Chartered Accountants(Firm Registration No. 148213W), be and are hereby appointed as the Statutory Auditor of the Company for a tenure of five years from the conclusion of 25<sup>th</sup> Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General meeting of the Company at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

**Resolved further that** any Director of the Company be are hereby severally authorized to do all such acts, deeds and things to give effect to this resolution.”

By Order of the Board of Directors  
For KMS Medisurgi Limited

Sd/-  
Sunny Gupta  
Company Secretary and Compliance Officer  
Membership no. ACS 42843

**Date:** 31.08.2023

**Place:** Mumbai



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NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company. Member holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.

The instrument of Proxy in order to be effective should be returned to the Registered Office of the Company, duly completed signed and stamped not less than FORTY-EIGHT HOURS before the commencement of the.

Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization. A Proxy form is sent herewith.

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business to be transacted at the Annual General Meeting is annexed hereto.
3. The AGM Notice is being sent to the shareholders of the Company whose names appear on the Register of Members/List of Beneficial Owners as received from the Depositories as on Friday, September 01, 2023.
4. The Register of Members and Share Transfer Books will be closed from Saturday, 24<sup>th</sup> September, 2023 to Saturday, 30<sup>th</sup> September, 2023 (both days inclusive).
5. The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the company as on the cut-off date i.e. Saturday, September 23, 2023.
6. Members are requested to send all communications relating to shares to our Registrar & Share Transfer Agent (R & T Agent) at the following address: KFin Technologies Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Karnataka - 500032, Phone No. 040 - 67162222; Fax No. 040-23431551, Email: kmsmedisurgi.ipo@karvy.comweb www.karisma.karvy.com.
7. Members/ Proxies are requested to bring the attendance slips duly filled in and copies of the Annual Report to the Meeting. The identity/signature of the members holding shares in electronic/demat form is liable for verification with specimen signatures as may be furnished by NSDL/CDSL to the Company. Such members are advised to bring relevant identity card, issued by the Depository Participant to attend the Annual General Meeting.
8. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative along with their specimen signature to attend and vote on their behalf at the meeting.



9. In case of joint holder, only joint holder who is higher in the order of names will be entitled to vote.
10. All the material documents referred to in the Resolutions are open for inspection at the Company's Registered Office 297/301 May Building, Gr. Floor Marine lines (East) Princess Street Mumbai-400002 on all working days, except Sundays, between 10.00 A.M. to 1.00 P.M. till September 30, 2023 and will also be available for inspection at the Meeting.
11. Shareholders can register their complaints, if any on [cskms99@gmail.com](mailto:cskms99@gmail.com).
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit the PAN details to the Registrar and Share Transfer Agents/Company.
14. In compliance with Sections 108 and 110 of the Act and the rules made thereunder and the MCA Circulars, the Company has provided the facility to the shareholders to exercise their votes electronically and vote on the resolutions through the e-voting service facility arranged by Kfin Tech. The instructions for e-voting are provided as part of this AGM Notice.
15. The voting rights for Equity Shares are one vote per Equity Share, registered in the name of the members. Voting rights shall be reckoned on the paid-up value of Equity Shares registered in the name of the shareholders as on Saturday, September 23, 2023. A person who is not a shareholder on the relevant date should treat this notice for information purpose only.

Shareholders desiring to exercise their vote through the e-voting process are requested to read the instructions in the Notes under the section "General information and instructions relating to e-voting" in this AGM Notice. Shareholders are requested to cast their vote through the e-voting process commencing from Wednesday, September 27, 2023 at 09.00 am and concluding on Friday, September 29, 2023 at 05.00 pm to be eligible for being considered, failing which it will be strictly considered that no vote has been received from the shareholder.

16. Electronic copy of the Notice of 25<sup>th</sup> Annual General Meeting and Annual Report for FY 2022-23 being sent to all the members whose Email IDs are registered with the Company/ Depositories. Members may please note that the Notice of 25<sup>th</sup> Annual General Meeting and Annual Report for FY 2022-23 will also be available on the Company's website at [www.kmsgroup.in](http://www.kmsgroup.in) and on the website of KfinTech at <https://evoting.kfintech.com>. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days.





17. The Board vide its resolution passed on August 31, 2023 has appointed M/s. Naveen Karn & Co., Practising Company Secretary, as the scrutinizer to scrutinize both the remote e-voting as well as ballot voting during the AGM in a fair and transparent manner.
18. The Scrutinizer will submit their report to the Chairman or to any other person as may be authorized by the Chairman, after the completion of scrutiny, and the result of the voting through the e-voting process will be announced by the Chairman or any other person duly authorized by the Chairman, within 48 hours of conclusion of Annual General Meeting and will also be displayed on the website of the Company [www.kmsgroup.in](http://www.kmsgroup.in).
19. In terms of the requirements of the Secretarial Standards-2 on “General Meetings” issued by the Institute of the Company Secretaries of India and approved & notified by the Central Government, the Route Map of the venue of this AGM is placed below this Notice.

**General information and instructions relating to e-voting:**

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KfinTech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. E-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting facility will be available during the following period:  
Commencement of e-voting: Wednesday, September 27, 2023 at 09.00 am  
End of e-voting: Friday, September 29, 2023 at 05.00 pm
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com). However, if he / she is already registered with KfinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode as on the cut-off date may follow steps mentioned below under “Login method for remote e-Voting” (Step 1).
- viii. In case of Individual Shareholders holding securities in physical mode as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting” (Step 2).
- ix. The details of the process and manner for remote e-Voting are explained herein below:



- Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.  
 Step 2: Access to KFIN Tech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

**Details on Step 1 are mentioned below:**

I) [Login method for remote e-Voting for Individual shareholders holding securities in demat mode.](#)

Type of shareholders	Login Method
<a href="#">Individual Shareholders holding securities in demat mode with NSDL</a>	<ol style="list-style-type: none"> <li>1. <b>User already registered for IDeAS facility:</b> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> </li> <li>2. <b>User not registered for IDeAS e-Services</b> <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Select “Register Online for IDeAS” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in points 1.</li> </ol> </li> <li>3. <b>Alternatively by directly accessing the e-Voting website of NSDL</b> <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech.</li> <li>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol> </li> </ol>
<a href="#">Individual Shareholders holding securities in demat mode with CDSL</a>	<ol style="list-style-type: none"> <li>1. <b>Existing user who have opted for Easi / Easiest</b> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with your registered user id and password.</li> <li>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ol> </li> <li>2. <b>User not registered for Easi/Easiest</b> <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> <li>III. Follow the steps given in point 1.</li> </ol> </li> </ol>



	<p>3. <b>Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e <b>KFIN Technologies</b> where the e- Voting is in progress.</p>
<p><a href="#">Individual Shareholder login through their demat accounts / Website of Depository Participant</a></p>	<p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – <b>KfinTech</b> and you will be redirected to e-Voting website of <b>KfinTech</b> for casting your vote during the remote e-Voting period without any further authentication.</p>

*Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.*

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b>

**Details on Step 2 are mentioned below:**

- II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.
- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from kFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) **7680**, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
  - iii. After entering these details appropriately, click on "LOGIN".



- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the “EVSN” and click on “Submit”
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID [csnaveenkarn@gmail.com](mailto:csnaveenkarn@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format “Corporate Name Even No.”
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the AGM Notice and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the, AGM Notice and the e-voting instructions.
  - ii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.



**Explanatory Statement in pursuance of section 102(1) of the Companies Act, 2013:**

**Item no. 4:**

Pursuant to Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, approval of Shareholder is required where any contract or arrangement entered with Related Party is exceeding limits as prescribed for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

The Transactions related to sale, purchase or supply of any goods or materials entered/to be entered into individually or taken together with previous transactions during a FY 2023-24 exceeds 10% of the turnover of a company as per audited financial statements of FY 2022-23.

The Provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company being a SME Listed Company.

Hence, the approval of the Members will be required for the same. It is therefore proposed to obtain the Members approval for the following arrangements/transactions/ contracts which may be entered into by the Company with its related parties from time to time:

<b>Name of Related Party</b>	<b>Name of Relationship</b>	<b>Nature of Transaction</b>	<b>Amount (in Rs.)*</b>
KMS Manufacturing Limited	Related party as per Companies Act, 2013	Sales of Goods and Service	14,00,00,000

*\*The ceiling on the amounts of the transactions specified as above would mean the transactions entered into and the remaining outstanding.*

The Audit Committee and Board have approved the aforesaid Related Party Transactions at their meetings held on August 31, 2023, and has recommended to the members for their approval.

With respect to the above matter, the Shareholders/Members are requested to note following disclosures of Interest:

<b>Sr. No.</b>	<b>Name of the Related Party</b>	<b>Nature of Concern or Interest</b>
1	KMS Manufacturing Limited	Mr. Siddharth Kanakia (Chairman and Managing Director), Mr. Gaurang Kanakia (Non Executive Non Independent Director), Ms. Monali Kanakia (Executive Director), Mr. Anand Kanalia (Chief Financial Officer) and Mr. Rohan Kanakia (Executive Director)

Disclosure as per Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014:

(a) name of the related party - KMS Manufacturing Limited

(b) name of the director or key managerial personnel who is related, if any - Mr. Siddharth Kanakia (Chairman and Managing Director), Mr. Gaurang Kanakia (Non Executive Non Independent Director), Ms. Monali Kanakia (Executive Director), Mr. Anand Kanalia (Chief Financial Officer) and Mr. Rohan Kanakia (Executive Director)



(c) nature of relationship – Related Party as per Companies Act, 2013

(d) nature, material terms, monetary value and particulars of the contract or arrangement – Sale of Purchase of Goods or Services for value exceeding 10% of the turnover of FY 2022-23

(e) any other information relevant or important for the members to take a decision on the proposed resolution - None

The Board recommends the resolution set out in Item No. 4 of the AGM Notice to the Members for their consideration and approval, by way of Ordinary Resolution. Except to the extent of shareholding of the Promoters / Directors their Relatives and Key Managerial Personnel in the above-mentioned related parties which is duly disclosed above, none of the other Directors/ Key Managerial Personnel/ their Relatives is, in any way, concerned or interested, financially or otherwise in the Ordinary Resolution set out at Item Nos. 4 respectively.

#### **Item No. 5**

The Members of the Company at its 24<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2022 had appointed M/s. Dalal Doctor & Associates, Chartered Accountants (Firm Registration No.: 120833W) as Statutory Auditors of the Company to hold office from the conclusion of 24<sup>th</sup> Annual General Meeting till the conclusion of 29<sup>th</sup> Annual General Meeting of the Company.

M/s. Dalal Doctor & Associates, Chartered Accountants have resigned from the position of Statutory Auditor of the Company, resulting into a casual vacancy in the office of Statutory Auditor of the Company wef August 22, 2023 as envisaged by Section 139 of the Companies Act, 2013.

The Board of Directors at its Meeting held on August 31, 2023, as per the recommendations of the Audit Committee and pursuant to the provisions of Section 139 of the Companies Act, 2013, has appointed M/s. H. H. Dedhia & Associates, Chartered Accountants (Firm Registration No. 148213W), to hold office as the Statutory Auditor of the Company till the conclusion of 25<sup>th</sup> Annual General Meeting and to fill the casual vacancy caused by the resignation of M/s. Dalal Doctor & Associates, Chartered Accountants subject to the approval of Members at the 25<sup>th</sup> Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s. H. H. Dedhia, Chartered Accountants to act as Statutory Auditor of the Company in place of M/s. Dalal Doctor & Associates, Chartered Accountants along with confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives and in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of Members.



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**Item No. 6**

The Board of Directors at its Meeting held on August 31, 2023, as per the recommendation of the Audit Committee and pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Accounts) Rules, 2014 and other applicable provisions if any, recommended the appointment of M/s. H. H. Dedhia, Chartered Accountants (Firm Registration No. 148213W), as Statutory Auditor of the Company to hold office for a period of five years, from the conclusion on 25<sup>th</sup> Annual General Meeting, till the conclusion of 30<sup>th</sup> Annual General Meeting at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Director of the Company.

The Company has received consent letter and eligibility certificate from M/s. H. H. Dedhia, Chartered Accountants to act as Statutory Auditor of the Company in place of M/s. Dalal Doctor & Associates, Chartered Accountants along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

Disclosure pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as a part of the explanatory statement to the notice:

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the appointment of M/s. H. H. Dedhia, Chartered Accountants, as the Statutory Auditors of the Company, from the conclusion of 25<sup>th</sup> AGM till the conclusion of the 30<sup>th</sup> AGM, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

M/s. H. H. Dedhia, Chartered Accountants have consented to their appointment and confirmed that their appointment if made, would be in accordance with Section 139 read with Section 141 of the Act.

Brief Profile of New Auditor:

M/s. H.H. Dedhia & Associates is a Mumbai based firm specialises in Audit, Assurance, Financial Engineering and Valuation and has a good professional standing among Corporate and MSME business. They are the auditors of companies listed on small board as well as many public unlisted entities. It consists a dynamic team who focus on quality, solutions and client first approach.

The proposed fees payable to M/s. H.H. Dedhia & Associates will be Rs. 80,000 p.a. There is no material change in the fees payable to the proposed Auditor from that paid to the outgoing auditor. The Board, in consultation with the Audit Committee shall approve revisions in the remuneration of the Statutory Auditors for the remaining part of the tenure.

None of the Directors, Key Managerial Personnel and their relatives and in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.



The Board accordingly recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of Members.

By Order of the Board of Directors  
For KMS Medisurgi Limited

Sunny Gupta  
Company Secretary and Compliance Officer  
Membership no. ACS 42843

**Date:** 31.08.2023  
**Place:** Mumbai





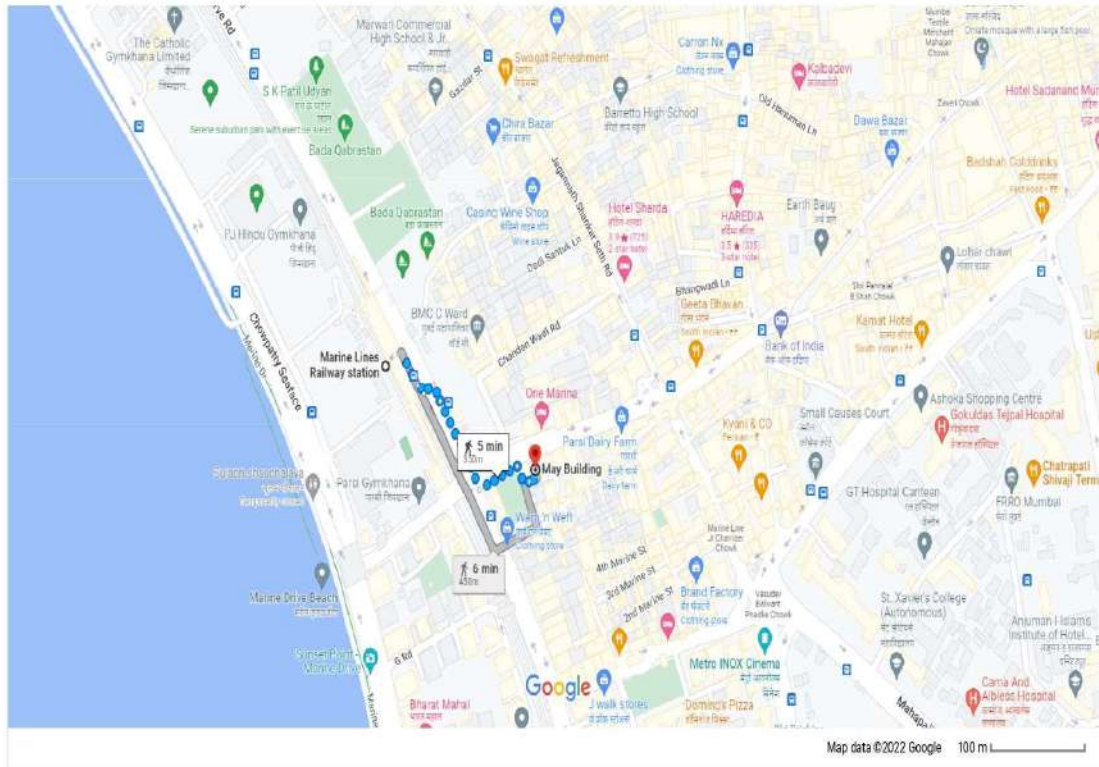
**Brief profile and other details, in compliance with the Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended and secretarial standard issued by Institute of Company Secretaries of India, are as under:**

<b>Name of the Director (DIN)</b>	<b>Rohan Devang Kanakia</b> (DIN No. 09220915)
Brief Resume, Experience and Expertise in specific functional areas	Rohan Kanakia completed his undergraduate studies from O.P. Jindal Global University with a Bachelor of Business Administration. Worked as a marketing intern at JR Laddha Financial Services with the social media team. Consequently, he started out as an operations and supply chain coordinator at KMS Manufacturing Company which is primarily in the medical devices sector. Rohan has also represented the company at a medical conference in Dubai in 2020. With already a few years of work experience behind him, he is a highly motivated individual with a strong work ethic and enthusiasm to learn.
Date of Birth	17 <sup>th</sup> November 1998
Terms and conditions of appointment/ re-appointment including remuneration	-
Details of remuneration last drawn	-
Date on which first appointed on the Board	29.06.2021
Details of shareholding in the Company directly or on beneficial basis	Nil
Relationship with other Directors, Manager and Key Managerial Personnel (if any)	-
Number of Board meetings attended during the year	5
Board memberships of other Companies	Nil
Chairperson/Member of the Committee of the Board of Directors of Company	Nil
Chairperson/Member of the Committee of the Board of Directors of other Companies	Nil
Name of Listed Companies from which resigned during last Three (3) years	Nil



### Route Map for AGM venue

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





**ATTENDANCE SLIP**

**KMS MEDISURGI LIMITED**

297/301 May Building, Gr. Floor Marine lines(East) Princess Street Mumbai-400002  
CIN: L51397MH1999PLC1191189  
Ph-022-66107700/22,022-67498822,  
Facsimile: +91-22-22061111,  
Website: -www.kmsgroup.in,  
E-mail Id:-info@kmsgroup.in

I hereby record my presence at the Annual General Meeting of the Company held on Saturday, September 30, 2023 at 3.00 p.m. at its Registered Office situated at 297/301 May Building, Gr. Floor Marine lines(East) Princess Street Mumbai-400002.

Full name of the Shareholder (in block letters)  
.....

Ledger Folio No. .... DP ID ..... Client ID.....

Number of Shares held.....

Full name of Proxy (in block letters)  
.....

**Signature of Shareholder or Proxy attending**

Please provide full name of the 1st Joint Holder  
.....

- Notes: (1) Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.  
**(2) Members are requested to bring their copy of Notice for reference at the Meeting.**



Form No. MGT-11

**Proxy form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**KMS MEDISURGI LIMITED**

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

CIN: L51397MH1999PLC1191189

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

Facsimile: +91-22-22061111,

Website: -www.kmsgroup.in,

E-mail Id:-info@kmsgroup.in

Name of the member (s):  
Registered address:  
E-mail Id:  
Folio No/ Client Id: DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....  
Address:  
E-mail Id:  
Signature: ....., or failing him

2. Name: .....  
Address:  
E-mail Id:  
Signature: .....,

3. Name: .....  
Address:  
E-mail Id:  
Signature: .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on Saturday, September 30, 2023 at 3.00 p.m. at its Registered Office situated at 297/301 May Building, Gr. Floor Marine lines (East) Princess Street Mumbai-400002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Financial Statement
2. Declaration of Dividend
3. Re- appointment of Mr. Rohan Devang Kanakia (DIN: 09220915) as a Director liable to retire by rotation
4. To Ratify/Approve the Related Party Transaction of the Company for FY 2023-24
5. To appoint Statutory Auditor to fill Casual Vacancy
6. To Appoint Statutory Auditor for the period of five years.



Signed this ..... day of..... 2023

Signature of Shareholder

Signature of Proxy holder(s)

Please  
affix Re.  
1/- revenue  
stamp and  
sign across

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



## DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2023.

### 1. Financial Summary and Highlights:

The Company's financial performance for the year ended March 31, 2023:

(Rs. In Lacs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Revenue	1,102.73	1,031.69
Other Income	1.54	5.12
Total Revenue	1,104.26	1,036.81
Less: Total Expenses	1,038.41	1,008.30
Profit Before Tax (PBT)	65.85	28.51
Less: Provision for tax	-	-
Current Tax	19.00	7.00
Deferred Tax	(11.32)	-
Prior year Tax Adjustment	0.88	-
Profit After Tax (PAT)	57.29	21.51

### 2. State of company's affairs & performance:

Your Company has seen increase in turnover during the year under review which accounted for Rs. 1,102.73 Lakhs as compared to Rs.1,031.69 Lakhs in FY 2021-22. The Company has incurred Net Profit of Rs. 57.29 Lakhs as compared to Net Profit of Rs. 21.51 Lakhs in FY 2021-22. 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 in near future.

### 3. Future prospects

Company is planning to expand the business by introducing new product range of adhesive tapes for automotive and Electrical application.

Company is optimistic that this new product range will help company to increase the sales and profits in future

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 market for automotive and Electrical industry is huge in India. 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.

**4. Dividend:**

The Directors are pleased to recommend a dividend of Rs. 0.05 (0.5%) per Equity Share for the financial year ended March 31, 2023, for approval of the members.

**5. Transfer To Reserve:**

The Company has transferred Rs. 57.29 Lakhs to Reserve & Surplus and the same is in compliance with the applicable provisions prescribed under the Companies Act, 2013.

**6. Share capital:**

As on March 31, 2023, 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 Rs. 10/- (Rupees Ten Only) each.

As at March 31, 2023, 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 Rs. 10/- (Rupees Ten Only) each.

**7. 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.

**8. Subsidiaries, Joint Ventures and associate Companies:**

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

**9. Transfer to unclaimed dividend to investor education and protection fund:**

The Company does not have any unclaimed or unpaid dividend as on 31<sup>st</sup> March, 2023.



## 10. 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. Rohan Devang Kanakia (DIN: 09220915), 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:

Mr. Sunny Gupta was appointed as Company Secretary & Compliance Officer of the Company w.e.f. August 05, 2022.

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

As on March 31, 2023, your Company's Board of Directors comprises of the following Directors:

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

\* Resigned as Chairman and Managing Director wef May 03, 2023

\*\* Appointed as Chairman and Managing Directors wef May 29, 2023

\*\*\* Re-designated as Executive Director wef May 03, 2023

As on March 31, 2023, your Company's Key Managerial Personnel are as follows:

Name of KMP	Designation
Mr. Anand Prataprai Kanakia	Chief Financial Officer
Mr. Sunny Gupta*	Company Secretary and Compliance Officer

\* Appointed as Company Secretary & Compliance Officer wef August 05, 2022

### 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.





### Meetings of the Board:

During the year under review the Board of Directors have duly met 5 times to transact the business of the Company.

1<sup>st</sup>- May 30, 2022

2<sup>nd</sup>- August 05, 2022

3<sup>rd</sup>- September 06, 2022

4<sup>th</sup> - November 14, 2022

5<sup>th</sup>- March 16, 2023

*\*Mr. Siddharth Kanakia ceased to be Member of Audit Committee and Nomination & Remuneration Committee wef May 03, 2023*

Name of Directors	Category	No of Board meeting attended	Last AGM attended	No of Directorship in other Company	Committee positions		No of Shares as on 31 <sup>st</sup> March 2023
					Member	Chairman	
Mrs. Rekha Devang Kanakia	Chairman and Managing Director	5/5	Yes	1	0	0	4,42,000
Mr. Rohan Devang Kanakia	Non-Executive Non-Independent Director	5/5	Yes	0	0	0	NIL
Mr. Siddharth Gaurang Kanakia*	Non-Executive Non-Independent Director	5/5	Yes	2	2	0	50,000
Mr. Hardik Rajnikant Bhatt	Independent Director	5/5	No	0	2	1	NIL
Mr. Kamlesh Rajani Chunilal	Independent Director	5/5	Yes	0	2	1	NIL
Mr. Pratik Pravin Tarpara	Independent Director	5/5	Yes	0	0	0	NIL

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:



**v) Committees of the Board:**

At present, there are two (2) Committees of Board, i.e. Audit Committee and 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 Section 177 of the companies Act, 2013.

*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. Appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
21. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
22. Oversee financial reporting controls and process for material subsidiaries;
23. 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.
24. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision. – Not Applicable

The Composition of Audit Committee is as follows:

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

\*Mr. Siddharth Kanakia ceased to be Member wef May 03, 2023

Four audit committee meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows: May 30, 2022, September 09, 2022, November 14, 2022 and February 08, 2023.

#### **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 Section 178 of the Companies Act, 2013. The Committee comprises of 3 (three) members of the Board, the details of the member are as follows:



Name	Category	No of meetings attended
Mr. Kamlesh Chunilal Rajani	Independent Director- Chairman	1/1
Mr. Hardik Rajnikant Bhatt	Independent Director- Member	1/1
Mr. Siddharth Kanakia*	Non-Independent Non-Executive Director-Member	1/1

\*Mr. Siddharth Kanakia ceased to be Member wef May 03, 2023

During the year, under review, one meeting of Nomination and Remuneration Committee was held on 5<sup>th</sup> August, 2022.

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

- 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 and other employees.
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- 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 of Directors their appointment and removal.
- To carry out evaluation of Directors performance
- To devise a Policy on Board Diversity.
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

### Investor Complaints

Details of Investor Complaints received and redressed during the Financial Year 2022-23 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 2023.



**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 30<sup>th</sup> March, 2023 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.

**11. 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.

**12. 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.



### 13. Annual return:

A copy of the annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 ('the Act'), in the prescribed form, is hosted on the Company's website and can be accessed at <https://kmsgroup.in>

### 14. 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-A". 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](http://www.kmsgroup.in).

### 15. Listing with Stock Exchanges

The shares of the Company are listed on BSE Limited. The Annual Listing fee payable to the said stock exchanges for the FY 2022-2023, has been duly paid.

### 16. Statutory Auditors & Their Report:

M/s. Dalal Doctor & Associates, Chartered Accountants, (Firm Registration No.: 120833W), are appointed as Statutory Auditors of the Company for a period of 5 (Five) years, from the conclusion of 24<sup>th</sup> Annual General Meeting till the conclusion of 29<sup>th</sup> Annual General Meeting of the Company. The report of the M/s. Dalal Doctor & Associates, Chartered Accountants, on Financial Statements for the FY 2022-23 forms part of the Annual Report. The Statutory Auditors have given following qualified opinion in their Audit Report as on March 31, 2023:

Sr. No.	Opinion	explanations or comments
1.	<i>As described in Notes 12 to the accounts, the Company has started maintaining certain stock records from mid of the year. The Company is in process of reconciling these stock records with books of accounts. The closing stock as on year end has been physically verified and valued by the management and accordingly accounted in the books of accounts. Shortage and excess if any will be accounted in the year in which discrepancies are identified. Accordingly, we are unable to comment on the movement of stock and value of closing stock of Rs. 91.97 Lakhs as on year end.</i>	The company is in the process of streamlining stock records. Many new types raw materials were added and due to the nature of stock it was difficult to segregate cost for every identifiable item of stock and hence the record for any excess shortage will be identified by the company as and when such discrepancies are evaluated by the management, but the stock value has been done properly as per rules and there has been no discrepancies about it.
2.	<i>We draw attention to Note 32 to the Financial Statements, which describes that the Company is in process of getting an Internal Audit as required by Section 138 of the Companies Act, 2013 read with Companies (Accounts), Rule 2014.</i>	Internal Audit report for FY 2022-23 has been received on 31-05-2023



### 17. Secretarial Audit Report:

In terms of Section 204 of the Act and Rules made there under, Mr. Naveen Maheshwar Karn, Practicing Company Secretary was appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure-B** to this report.

The Secretarial Auditors have given following remarks in their Secretarial Audit Report as on March 31, 2023:

Sr. No.	Opinion	explanations or comments
1.	<i>Company has not complied with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 wrt registration of Independent Directors under Independent Director's Databank.</i>	Company is in process of registration of Independent Directors under Independent Directors Databank

### 18. 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 2022-23.

### 19. Internal Auditor:

The provision of Section 138 of The Companies Act, 2013 applicable to company and company has appointed M/s. V.M. Pandya & Co., Chartered Accountant, as an internal auditor of the Company, to carry out internal Audit for the financial year 2022-23 based on the recommendation of the Audit Committee.

### 20. 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.

### 21. 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.

**22. 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.

**23. Particulars of loans, guarantees or investments by the company under Section 186 of the Companies Act, 2013:**

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 2022-23.

**24. Material changes affecting the financial position of the company:**

During the year ended March 31, 2023, there were no material changes and commitments affecting the financial position of the Company have occurred between the period ended March 31, 2023 to which financial results relate and the date of the Report.

**25. Corporate social responsibility:**

Since the provisions as laid down in the Section 135 of the Companies Act, 2013 is 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.

**26. 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.

**27. 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 as **Annexure-C**.

**28. Corporate Governance:**

The Company is listed on SME Exchange, hence Corporate Governance Report is not applicable.



**29. 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 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 Company's website: [www.kmsgroup.in](http://www.kmsgroup.in).

**30. 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.

**31. 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.

**32. 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.

**33. Reconciliation of share capital audit:**

As stipulated by Securities and Exchange Board of India (SEBI), Mr. Naveen Maheshwar Karn, Practicing Company Secretary carried 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.

**34. 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.

**35. 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.

**36. 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 2022-23.

The statement of Disclosure of Remuneration under Section 197(12) of the Act and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules'), is annexed as **Annexure-D** and forms an integral part of this Report.

**37. 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.

**38. Prevention of sexual harassment 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.

**39. Secretarial standards:**

During the Financial Year 2022-23, 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.

**40. 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.

For and on behalf of the board of directors

Siddharth Kanakia  
Chairman & Managing Director  
DIN: 07595098

**Date:** 31.08.2023

**Place:** Mumbai



**Annexure - A**  
**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:

- 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
Mrs. RekhaDevangKanakia	Payment of Remuneration	FY 2022-23	9,75,000	May 03, 2023	-
KMS Manufacturing Company	Sale of Goods or Services	FY 2022-23	9,54,82,373	May 03, 2023	-

For and on behalf of the board of directors

Siddharth Kanakia  
Chairman & Managing Director  
DIN: 07595098

**Date:** 31.08.2023  
**Place:** Mumbai



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**Annexure-B**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

*[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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KMS Medisurgi Limited (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's 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, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to 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 and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period)**
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period)** and
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018; **(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:

- a) ***Company has not complied with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 wrt registration of Independent Directors under Independent Director's Databank.***

#### **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.



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**I further report that** during the audit period, there was no other event/action having major bearing on affairs of the Company.

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

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**Naveen Karn**  
**C.P. No.:** 22655  
**Membership No.:** 60273  
**UDIN:** A060273E000899091

**Place:** Vasai  
**Date:** 31.08.2023

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



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. We 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

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**Naveen Karn**  
**C.P. No.:** 22655  
**Membership No.:** 60273  
**UDIN:** A060273E000899091

**Place:** Vasai  
**Date:** 31.08.2023





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Annexure - C

**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



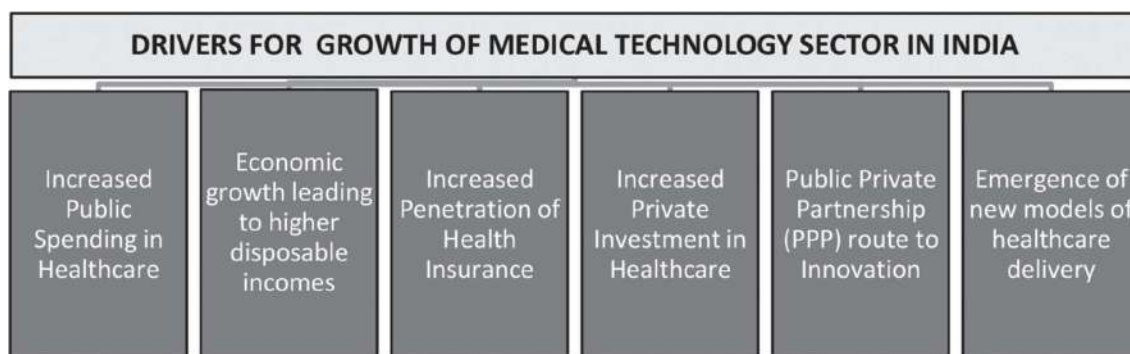
#### ***Growth Drivers for Indian Medical Industry:***

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, Axiobioslutions.



***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 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.



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***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-D**

**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
Rekha Devang Kanakia (DIN: 00346198)	2.72
Siddharth Gaurang Kanakia (DIN:07595098)	-
Hardik Rajnikant Bhatt (DIN: 07566870)	-
Kamlesh Chunilal Rajani (DIN: 07588417)	-
Pratik Pravin Tarpara (DIN 08689556)	-
Rohan Devang Kanakia (DIN: 09220915)	-

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
Rekha Devang Kanakia	Managing Director	NA
Anand Prataprai Kanakia	Chief Finance Officer	NA
Sunny Gupta	Company Secretary	NA

3. The percentage increase in the median remuneration of employees in the financial year: 8.83%.
4. The number of permanent employees in the Company as on 31<sup>st</sup> March, 2023: 19
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
8. A) Name of top ten employees in terms of remuneration –
- B) Name of every employee who -
- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees one crore and two lakh rupees - None
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month eight lakh and fifty thousand rupees per month – None
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company – None

For and on behalf of the board of directors

Siddharth Kanakia  
Chairman & Managing Director  
DIN: 07595098

**Date:** 31.08.2023

**Place:** Mumbai



## 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.

For and on behalf of the board of directors

Siddharth Kanakia  
Chairman & Managing Director  
DIN: 07595098

**Date:** 31.08.2023

**Place:** Mumbai



**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](http://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, 2023 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	Mrs. Rekha Devang Kanakia	00346198	17/03/2016
2	Mr. Hardik Rajnikant Bhatt	07566870	14/07/2016
3	Mr. Kamlesh Chunilal Rajani	07588417	11/08/2016
4	Mr. Siddharth Gaurang Kanakia	07595098	02/05/2018
5	Mr. Pratik Pravin Tarpara	08689556	12/02/2020
6	Mr. Rohan Devang Kanakia	09220915	29/06/2021

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

**Naveen Karn**  
C.P. No.: 22655  
Membership No.: 60273  
UDIN: A060273E000899122

**Place:** Vasai  
**Date:** 31.08.2023



**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, 2023.

By Order of the Board of Directors  
For KMS Medisurgi Limited

Siddharth Kanakia  
Managing Director  
DIN:07595098

**Date:** 31.08.2023  
**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, 2023 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:** 31.08.2023

(Anand Kanakia)  
Chief Financial Officer

(Siddharth Kanakia)  
Managing Director  
(DIN:07595098)

**INDEPENDENT AUDITOR'S REPORT  
To the Members of KMS MEDISURGI LIMITED**

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of KMS MEDISURGI LIMITED ("the Company"), which comprise the balance sheet as at 31 March, 2023, the statement of profit and loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the "basis of qualified opinion" section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023, and its profit, and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

As described in notes 12 to the accounts, the Company has started maintaining certain stock records for material items from mid of the year. The Company is in process of reconciling these stock records with books of accounts. The closing stock as on year end has been physically verified and valued by the management and accordingly accounted in the books of accounts. Shortage and excess if any will be accounted in the year in which discrepancies are identified. Accordingly, we are unable to comment on the movement of stock and value of closing stock of Rs. 91.97 (in 'lacs) as on year end.

**Emphasis of matter**

We draw attention to Note 32 to the financial statements, which describes that the Company is in process of getting an internal audit as required by section 138 of the Companies Act 2013 read with Companies (Accounts) Rule 2014.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters except for the matters described in "Basis for Qualified Opinion" section. We have determined that there are no other key audit matters to communicate in our report.



### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report as per section 134 of the act, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

### **Responsibilities of Management and those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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



- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 standalone 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 standalone 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 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**



- 1) As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India, in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) 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 other than inventory records as mentioned in our basis of qualified opinion 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, and rules made thereunder, as applicable.
  - e) On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
  - g) In our opinion and according to the information and explanation provided to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
  - h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. Though the dividend payment was delayed beyond 30 days, it was transferred to the beneficiaries account and hence as explained to us, no amount is payable to Investor's Education Fund.
    - iv. a) The management has represented that to the best of its knowledge and belief, other than as those disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of



funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.


b) The management has represented that to the best of its knowledge and belief, other than as those disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), other than as disclosed in the notes to the accounts, with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on our audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v. During the year, proposed dividend declared for the financial 2021-22 of Rs. 0.05 per share was transferred to a separate bank account after 5 days and was paid to beneficiary shareholders after expiry of 30 days. This is not in the compliance with the provisions of the Companies Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For Dalal Doctor & Associates  
Chartered Accountants**

**Firm Registration No. 120833W**

  
**Ameet Chheda  
Partner**

**M. No: 112865**

**Mumbai, 30<sup>th</sup> May 2023**

**UDIN: 23112865BGUBVI6317**



#### ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company)

- i
  - a
    - A The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
    - B The company has maintained proper records showing full particulars of intangible assets;
  - b As explained to us, property, plant and equipment are physically verified by the Management which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - c As explained to us, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
  - d As explained to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - e No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii
  - a As explained to us, the physical verification of inventory has been conducted at reasonable intervals by the management. However in view of improper inventory records as mentioned in Note 13 of the financial statement, we are unable to comment on the coverage, procedure of such verification, discrepancies during the physical verification.
  - b The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets;
- iii
  - a During the year the company has provided loans to staff however has not provided any advances in the nature of loans, or stood guarantee, or provided security to any other entity.
    - A No loans or advances and guarantees or security has been granted to subsidiaries, joint ventures and associates;
    - B During the year the Company has granted loan of Rs. 2.20 (in lacs) to staff and balance outstanding at the balance sheet date amounted to Rs. 2.60 (in lacs).
  - b Investments made during the year are not prejudicial to the company's interest; Further during the year no guarantees are provided or security given.
  - c In respect of loans to staff the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
  - d There are no amount overdue.
  - e There are no loan or advance in the nature of loan granted which has fallen due during the year and has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
  - f The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv As explained to us, In respect of loans, investments, guarantees, and security, provisions of sections 185 and 186 of the Companies Act have been complied with.
- v As explained to us, the Company has not accepted deposits or amounts which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder, are not applicable to the Company
- vi As explained to us, maintenance of cost records are not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act.
- vii
  - a On the basis of documents produced before us, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees'



- state insurance, income- tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b As explained to us, there are no statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute.
- viii As explained to us, there are no transactions not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix a The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b The company is not a declared wilful defaulter by any bank or financial institution or other lender;
- c During the year no additional term loans were accepted.
- d During the year, no funds were raised on short term basis.
- e The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x a As explained to us, the Company has not raised any funds by way of initial public offer or further public offer (including debt instruments) during the year.
- b As explained to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi a As explained to us, there has been no fraud by the company or any fraud on the company has been noticed or reported during the year, accordingly clause xi(a) to (b) of the order is not applicable.
- xii a The Company is not a Nidhi Company and hence clause xii (a) to (c) is not applicable to the Company
- xiii a As explained to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;
- xiv a As explained to us, the Company is in process of getting an internal audit, accordingly we are unable to comment on clause xiv(a) and xiv(b) of the order.
- xv The company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi a The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934), accordingly clause xvi of the report is not applicable to the Company.
- xvii The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii As explained to us, auditor appointed for the prior years has resigned. Considering the communication with previous auditor and basis resignation letter received, we understand there have been no issues, objections or concerns raised by the outgoing auditors;
- xix On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- xx a Provisions of CSR contribution as mentioned section 135 of the said Act are not applicable to the Company. ;

xxi The Company does not have subsidiary, or joint venture or associate company, where the Companies (Auditor's Report) Order (CARO) report is applicable.

For Dalal Doctor & Associates  
Chartered Accountants  
Firm Registration No. 120833W

  
Ameet Chheda  
Partner  
M. No: 112865



Mumbai, 30<sup>th</sup> May 2023  
UDIN: 23112865BGUBVI6317

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company)

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT**

We have audited the internal financial controls over financial reporting of KMS MEDISURGI LIMITED ("the Company") as of 31 March, 2023 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 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 ("the ICAI"). 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 Act.

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the



maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Qualified Opinion**

Based on limited audit procedure performed by us, during the course of our audit, the following material weakness were identified in the operating effectiveness of the Company's internal financial control over financial reporting as on 31<sup>st</sup> March 2023.

- a. As described in notes 13 to the accounts, the Company has started maintaining certain stock records from mid of the year. The Company is in process of reconciling these stock records with books of accounts. The closing stock as on year end has been physically verified and valued by the management and accordingly accounted in the books of accounts.
- b. The Company is in process of getting an internal audit in as required by section 138 of the Companies Act 2013 read with Companies (Accounts) Rule 2014.

Material weakness is a deficiency or a combination of deficiencies in internal financial control over financial reporting, such that there is a reasonable possibility that a material mis-statement of the Company's Annual or interim financial statement will not be prevented or detected on timely basis.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company and these material weaknesses have affected our opinion on the financial statement of the Company and we have issued a qualified opinion on the financial statements.

**For Dalal Doctor & Associates**

**Chartered Accountants**

**Firm Registration No. 120833W**



**Ameet Chheda**

**Partner**

**M. No: 112865**

**Mumbai, 30<sup>th</sup> May 2023**

**UDIN: 23112865BGUBVI6317**



## KMS MEDISURGI PVT LTD

### Notes to Financial Statements for the Year ended 31st March, 2023

#### 1 SIGNIFICANT ACCOUNTING POLICIES :

- 1.1 **Basis of preparation and presentation of financial statements** : The Financial Statements of the company has been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under historical cost convention.
- 1.2 **Use of Estimates** : The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.
- 1.3 **Inventories** : Inventories consist of Raw Materials and Packing Materials, Work-In-Process, Finished goods and Stores. Inventories are valued at lower of cost and net realizable value. The cost is determined on First In First Out basis. The cost of work in process and finished goods includes material and packing cost, proportion of labour and manufacturing overheads.
- 1.4 **Cash Flow Statement** : Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing flows. Accordingly, the Company's cash flows from operating, investing, and financing activities are segregated.
- 1.5 **Cash and cash equivalents**: Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks, and short-term highly liquid investments with an original maturity of three months or less and carry an insignificant risk of changes in value.
- 1.6 **Property Plant and Equipment** :Property Plant and Equipment are stated at Cost less accumulated depreciation and impairment provisions, if any. The cost comprises acquisition 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.

Costs incurred subsequent to initial capitalization are included in the assets' carrying amount only when it is probable that future economic benefits will flow to the Company and can be measured reliably.

The carrying amount of the replaced part is derecognised. However, the costs of regular servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as and when incurred.



## KMS MEDISURGI PVT LTD

### Notes to Financial Statements for the Year ended 31st March, 2023

#### 1 SIGNIFICANT ACCOUNTING POLICIES :

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components. Otherwise, these are added to and depreciated over the useful life of the main asset.

- 1.7 **Depreciation** : Depreciation on Property Plant and Equipment is provided over the useful life of the assets on written down value basis as specified in Part C of Schedule II to the Companies Act, 2013. In case of Property Plant and Equipment which are added/disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/deletion.
- 1.8 **Impairment of Assets** : The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances
- 1.9 **Investments** : Long term investments are carried at cost less provision, if any for other than temporary diminution in the value of such investments. Current investments are stated at lower of cost and fair value.
- 1.10 **Revenue Recognition** : Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the revenue is reliably measured
- Revenue from Sale of Goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer and recorded net of returns, sales tax and other levies.
- 1.11 **Transaction in Foreign Currency** : Foreign exchange transactions are accounted at the exchange rate prevailing at the date of the transaction. Gains and Losses resulting from settlement of such transaction and from the transaction of monetary assets and liabilities denominated in foreign currency are recognized in the statement of Profit and Loss.
- 1.12 **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.

During the year, the Company recognised deferred tax asset on difference between book balance and tax





## KMS MEDISURGI PVT LTD

### Notes to Financial Statements for the Year ended 31st March, 2023

#### 1 SIGNIFICANT ACCOUNTING POLICIES :

##### 1.13 Employees Benefits : Defined Benefit Plan

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

During the year, the Company accounted gratuity liability on the basis of actuarial valuation conducted by the trust maintain the gratuity assets of the Company.

- ii) No provision is made for encashment of un-availed leave payable on retirement of employees, as the leave accrued as on year end lapses.

##### 1.14 Provisions and Contingencies:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

- 1.15 **Earnings per Share:** The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year. The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

- 1.16 **Dividend:** The final dividend on equity shares is recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Accordingly, a corresponding amount is recognised directly in equity.



	Notes	31st March, 2023	31st March, 2022
<b>I. EQUITY AND LIABILITIES</b>			
(1) Share Holders Funds			
(a) Share Capital	2	330.00	330.00
(b) Reserves & Surplus	3	392.52	336.88
		<u>722.52</u>	<u>666.88</u>
(2) Share Application Money pending allotment		-	-
(3) Non Current Liabilities			
(a) Long-term borrowings	4	99.07	99.07
		<u>99.07</u>	<u>99.07</u>
(4) Current Liabilities			
(a) Trade Payables	5		
Outstanding due of Micro and Small enterprises.		4.52	5.66
Outstanding due of other than Micro and Small enterprise		122.29	208.26
(b) Other Current Liabilities	6	14.88	3.28
(c) Short Term Provisions	7	8.90	-
		<u>150.59</u>	<u>217.20</u>
<b>Total Rs</b>		<u><u>972.19</u></u>	<u><u>983.15</u></u>
<b>ASSETS</b>			
(1) Non-current Assets			
(a) Property, Plant and Equipment and Intangible Assets	8		
(i) Property, Plant and Equipment		182.41	148.05
(b) Non-current investments	9	0.16	0.16
(c) Deferred tax Asset / (liabilities) (Net)	10	11.32	-
(b) Long-term loans and advances	11	-	0.34
(e) Other non-current assets	12	5.74	10.49
		<u>199.62</u>	<u>159.04</u>
(2) Current Assets			
(a) Inventories	13	91.97	96.60
(b) Trade Receivables	14	653.55	654.43
(c) Cash and Cash Equivalents	15	19.05	40.32
(d) Short Term Loans and Advances	16	7.31	32.77
(e) Other current assets	17	0.69	-
<b>Total Rs</b>		<u><u>772.57</u></u>	<u><u>824.14</u></u>
<b>Total Rs</b>		<u><u>972.19</u></u>	<u><u>983.15</u></u>

Significant Accounting Policies and Accompanying Notes form 1 to 48  
integral part of the Financial Statements

As Per our Report of even date attached :

For Dalal Doctor & Associates

Chartered Accountants  
FRN 120833W

Aneesh Chheda  
Partner  
M. No 112865  
Mumbai, 30 MAY 2023



For and on behalf of the Board

Sd/-  
Siddharth Kanakia  
Director  
DIN:07595098  
Place: Mumbai

Sd/-  
Gaurang Kanakia  
Director  
DIN:00346180  
Place: Mumbai

Sd/-  
Anand Kanakia  
CFO  
DIN:00285357  
Place: Mumbai

Sd/-  
Sunny Gupta  
Company Secretary &  
Compliance Officer  
Place: Mumbai

## KMS MEDISURGI LIMITED

CIN: L51397MH1999PLC119118

Statement of Profit &amp; Loss for the Year ended

Amount in Rs. lacs

Particulars	Notes	31st March, 2023	31st March, 2022
<b>Income</b>			
Revenue from Operations	18	1,102.73	1,031.69
Other Income	19	1.54	5.13
<b>Total Income</b>		<b>1,104.26</b>	<b>1,036.82</b>
<b>Expenditure:</b>			
Cost of materials consumed	20	791.36	779.18
Employee Benefit Expense	21	106.12	88.61
Finance Costs	22	0.02	0.15
Depreciation and amortization expense	23	31.75	29.13
Other Expenses	24	109.16	111.23
<b>Total Expenses</b>		<b>1,038.41</b>	<b>1,008.30</b>
Profit before tax		65.85	28.52
<b>Tax Expense:</b>			
(1) Current Tax		19.00	7.00
(2) Deferred Tax Expenses / (Income)		(11.32)	-
(3) Prior year Tax Adjustment		0.88	-
<b>Profit/(Loss) for the year after tax from continuing operations</b>		<b>57.29</b>	<b>21.52</b>
<b>Earnings Per Equity Share:</b>			
Basic / Diluted		1.74	0.65
Significant Accounting Policies and Accompanying Notes form integral part of the Financial Statements	1 to 48		

As Per our Report of even date attached :

For Dalal Doctor &amp; Associates

Chartered Accountants

FRN 120833W

Anant Chheda

Partner

M. No 112865

Mumbai, 30 MAY 2023

For and on behalf of the Board

Sd/-  
Siddharth Kanakia  
Director  
DIN:07595098  
Place: Mumbai

Sd/-  
Gaurang Kanakia  
Director  
DIN:00346180  
Place: Mumbai

Sd/-  
Anand Kanakia  
CFO  
DIN:00285357  
Place: Mumbai

Sd/-  
Sunny Gupta  
Company Secretary &  
Compliance Officer  
Place: Mumbai

KMS MEDISURGI LIMITED  
CIN L51397MH1999PLC119118

Cash Flow Statement for the Year ended on

Particulars	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	65.85	28.52
<u>Adjustment for</u>		
Depreciation	31.75	29.13
Interest Expenses	0.02	0.15
Interest Income	(0.84)	(1.33)
Operating profit before change in Working Capital	96.79	56.47
<u>Adjustment for change in working capital</u>		
(Increase) / Decrease in Inventory	4.63	(29.92)
(Increase) / Decrease in Trade receivables	0.88	(24.15)
(Increase) / Decrease in Other assets	30.01	(21.15)
Increase / (Decrease) in Trade payables	(87.10)	18.36
Increase / (Decrease) in Current Liabilities and Provision	11.34	0.57
Cash Generated from Operations	56.54	0.18
Taxes (Paid)/Refund	(10.71)	(7.00)
Cash generated from operating Activities	45.83	(6.82)
<b>B. Cash Flow from Investing Activities</b>		
Fixed Deposit with Maturity of more than 12 months	(0.14)	-
Purchase of Fixed Assets & Intangible Assets	(66.11)	(11.81)
Net Cash used in Investing Activities	(66.26)	(11.81)
<b>C. Cash Flow from Financing Activities</b>		
Interest Income	0.84	1.33
Interest Paid	(0.02)	(0.15)
Dividend Paid	(1.65)	-
Unsecured Loan repaid	-	(3.50)
Net Cash from Financing Activities	(0.83)	(2.32)
Net Decrease in cash and cash equivalents (A + B + C)	(21.26)	(20.95)
Cash and Cash equivalents as on beginning date	40.32	61.27
Cash and Cash equivalents as on closing date	19.05	40.32
Net Increase in cash and cash equivalents	(21.26)	(20.95)

Note:

1. The Cash Flow has been prepared under the " Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date.

For Dalal Doctor & Associates  
Chartered Accountants

FAN 120833W

Amrith Chheda

Partner

M. No 112865

Mumbai, 30 MAY 2023

For and on behalf of the Board

Sd/-  
Siddharth Kanakia  
Director  
DIN:07595098  
Place: Mumbai

Sd/-  
Gaurang Kanakia  
Director  
DIN:00346180  
Place: Mumbai

Sd/-  
Anand Kanakia  
CFO  
DIN:00285357  
Place: Mumbai

Sd/-  
Sunny Gupta  
Company Secretary &  
Compliance Officer  
Place: Mumbai

KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

Amount in Rs. lacs

	31st March, 2023		31st March, 2022	
<b>Note: 2</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised</b>	<b>No. of shares</b>	<b>Rs. lacs</b>	<b>No. of shares</b>	<b>Rs. lacs</b>
Equity shares of Rs 10 each Issued, Subscribed & Paid-Up	35.00	350.00	35.00	350.00
Equity shares of Rs 10 each	33.00	330.00	33.00	330.00
<b>Total</b>		<b>330.00</b>		<b>330.00</b>

2.1 The details of Shareholders holding more than 5% Shares	31st March, 2023		31st March, 2022	
Name of the Shareholder	No of Shares	% Held	No of 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%
	<b>23,49,580</b>	<b>71.18%</b>	<b>23,49,580</b>	<b>71.18%</b>

2.2 The Reconciliation of the number of Share and amount of Share Capital	Amount in Rs. lacs			
Particulars	No of Shares	Amount Rs	No of Shares	Amount Rs
Equity Shares at the beginning of the year	33,00,000	330.00	33,00,000	330.00
Add: Shares issued during the year	-	-	-	-
Equity Shares at the End of the year	<b>33,00,000</b>	<b>330.00</b>	<b>33,00,000</b>	<b>330.00</b>

	31st March 2022	31st March 2021
2.3 No of Non Resident Share Holders as on year end	-	-
2.4 Aggregate number of shares allotted as fully paid-up by way of bonus shares in last 5 years	-	-
2.5 Each Equity Share is entitled to one voting right only		
2.6 In the event of liquidation,shareholders are entitled to receive assets remaining after remittance of preferentials dues.		
2.7 Shares held by holding company or ultimate holding company		



2.8 The details of promoter's shareholding:

Equity Shares held by promoters at the end of the year

Promoter name	No of Shares	% of total shares	% Change during the year
Gaurang Kanakia	3,28,180	9.94%	-
(Previous Year)	3,28,180	9.94%	-
Anand Kanakia	3,37,400	10.22%	-
(Previous Year)	3,37,400	10.22%	-
Moni Diamonds Limited	6,34,000	19.21%	-
(Previous Year)	6,34,000	19.21%	-
Sushila Prataprai Kanakia	4,40,000	13.33%	-
(Previous Year)	4,40,000	13.33%	-
Amrita Gaurang Kanakia	1,68,000	5.09%	-
(Previous Year)	1,68,000	5.09%	-
Rekha Devang Kanakia	4,42,000	13.39%	-
(Previous Year)	4,42,000	13.39%	-
Monali Gaurang Kanakia	28,210	0.85%	-
(Previous Year)	28,210	0.85%	-
Kaushali Gaurang Kanakia	28,210	0.85%	-
(Previous Year)	28,210	0.85%	-
Siddharth Gaurang Kanakia	50,000	1.52%	-
(Previous Year)	50,000	1.52%	-

Amount in Rs. lacs

31st March, 2023      31st March, 2022

Note: 3

RESERVES & SURPLUS

Securities Premium

As Per last Balance Sheet

188.06

188.06

Surplus

As per last Balance Sheet

148.82

127.30

Add: Profit for the year

57.29

21.52

Less: Appropriation for the year - Dividend

(1.65)

-

204.46

148.82

392.52

336.88

Amount in Rs. lacs

31st March, 2023      31st March, 2022

Note: 4

Long-term borrowings

Secured / Unsecured

(a) Loans & advances from related parties

99.07

99.07

99.07

99.07

Terms and Conditions:

\* All the above loans are interest free loans



KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 5</b>		
<b>Trade Payables</b>		
Trade payables due for payment	113.28	207.78
Trade payables not-due for payment	-	-
Unbilled dues	13.53	6.14
	<u>126.81</u>	<u>213.91</u>

Particulars (Trade Payable due for payment)	Outstanding for following periods from due date of payment				Total	not-due for payment
	Less than 1 Y	1-2 Y	2-3 Y	More than 3 Y		
	(a) Undisputed due - MSME	4.24	0.28	-		
(Previous Year)	5.66	-	-	-	5.66	-
(b) undisputed due - Others	56.61	0.03	6.08	46.04	108.76	-
(Previous Year)	202.12	-	-	-	202.12	-
(c) Disputed dues -MSME	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
(d) Disputed dues -Others	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-

Details relating to Micro, Small and Medium Enterprises:

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	4.52	5.66
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section	-	-

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022

**Note: 6**

**Other Current Liabilities**

(a) Advance from customers	1.95	2.60
(b) Other payables - Statutory	12.93	0.68
	<u>14.88</u>	<u>3.28</u>

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022

**Note: 7**

**Short-term provisions**

(a) Provision for Income Tax

	8.90	-
	<u>8.90</u>	<u>-</u>







KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 9</b>		
<b>Non-Current Investments</b>		
<b>Non Trade Investments, Quoted</b>		
Other non-current investments (NSC)	0.16	0.16
	0.16	0.16
Less: Provision in diminution in value of investments	-	-
	<u>0.16</u>	<u>0.16</u>
Aggregate cost of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate cost of unquoted investments	0.16	0.16
Aggregate provision for diminution in value of investments	-	-

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 10</b>		
<b>Deferred Tax Asset / (Liabilities) (Net)</b>		
Deferred Tax Liability	-	-
Deferred Tax Assets		
On difference between book balance and tax balance of fixed assets	9.67	-
Unpaid Statutory Liabilities	1.65	-
On difference between book balance and tax balance of fixed assets	<u>11.32</u>	<u>-</u>

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 11</b>		
<b>Long-term loans and advances</b>		
Secured / unsecured, considered good / doubtful		
(a) Taxes paid (net of provision for tax)	-	0.34
	-	0.34
Less: Provision for doubtful loans & advances	-	-
	<u>-</u>	<u>0.34</u>

\* Loans & advances due from directors / officers of the company / firms and private companies respectively in which any director is a partner or a member

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 12</b>		
<b>Other non-current assets</b>		
Secured / unsecured, considered good / doubtful		
(a) Security Deposits	4.46	9.36
(b) Others - Fixed deposits with maturity of more than 12 months	1.28	1.14
	5.74	10.49
Less: Provision for doubtful loans & advances	-	-
	<u>5.74</u>	<u>10.49</u>
*Earmarked balances with banks against deposits with various	1.28	1.14



## KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

Amount in Rs. lacs

31st March, 2023 31st March, 2022

**Note: 13****Inventories**

(a) Raw materials	91.97	96.60
	<u>91.97</u>	<u>96.60</u>

Note: The Company is in process of reconciling these stock records with books of accounts. The closing stock as on year end has been physically verified and valued by the management and accordingly accounted in the books of accounts. Shortage and excess if any will be accounted in the year in which discrepancies are identified.

The Company sells goods as and when material is ready, and hence there is no stock of Finished goods.

Amount in Rs. lacs

31st March, 2023 31st March, 2022

**Note: 14****Trade Receivables**

Undisputed Trade receivables – considered good	653.55	654.43
Undisputed Trade Receivables – considered doubtful	-	-
	<u>653.55</u>	<u>654.43</u>
Less: Provision	-	-
	<u>653.55</u>	<u>654.43</u>
Disputed Trade receivables – considered good	-	-
Disputed Trade Receivables – considered doubtful	-	-
	<u>-</u>	<u>-</u>
Less: Provision	-	-
	<u>-</u>	<u>-</u>
Unbilled	-	-
	<u>653.55</u>	<u>654.43</u>

\* Debts due from directors / officers of the company / firms and private companies respectively in which any director is a partner or a member

-

-

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 M	6m - 1Y	1-2 Y	2-3 Y	More than 3 Y	
(a) Undisputed Trade receivables – considered good	518.31	123.74	8.13	-	3.36	653.55
(Previous Year)	485.41	165.66	-	-	3.36	654.43
(b) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
(c) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-
(d) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(Previous Year)	-	-	-	-	-	-



KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 15</b>		
<b>Cash and cash equivalents</b>		
(a) Balances with banks		
-In Current accounts	10.48	10.30
-In Fixed Deposits	8.12	28.77
(b) Cash on hand	0.46	1.24
	19.05	40.32
Earmarked balances with banks against letter of credit and against deposits with various government authorities or government	8.12	28.77
Bank deposits with more than twelve months maturity	1.28	1.14

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 16</b>		
<b>Short-term loans and advances</b>		
Secured / unsecured, considered good / doubtful		
(a) Gratuity asset	2.38	-
(b) Others loans & advances	4.93	32.77
	7.31	32.77
Less: Provision for doubtful loans & advances	-	-
	7.31	32.77
* Loans & advances due from directors / officers of the company / firms and private companies respectively in which any director is a partner or a member	-	-

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 17</b>		
<b>Other current assets</b>		
Other current assets	0.69	-
	0.69	-
Less: Provision for doubtful loans & advances	-	-
	0.69	-
* Loans & advances due from directors / officers of the company / firms and private companies respectively in which any director is a partner or a member	-	-



KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 18</b>		
<b>Revenue from Operations</b>		
Sale of products		
- Surgical products including surgical tapes etc.	1,102.41	1,031.69
Sale of services		
- Consultancy income	0.32	-
	<u>1,102.73</u>	<u>1,031.69</u>

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 19</b>		
<b>Other Income</b>		
Interest Income		
- from fixed deposits with bank	0.84	1.33
Other non-operating income (net of expenses directly attributable to such income)	0.70	3.80
	<u>1.54</u>	<u>5.13</u>

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 20</b>		
<b>Cost of materials consumed</b>		
Opening stock of raw material	96.60	66.67
Add: Purchases during the year	786.73	809.10
Less: Closing stock	91.97	96.60
	<u>791.36</u>	<u>779.18</u>

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 21</b>		
<b>Employee Benefit Expense</b>		
Salaries and Wages	91.76	73.05
Contribution to Provident and Other Funds	2.01	5.69
Staff Welfare Expenses	2.61	0.13
Directors' Remuneration	9.75	9.75
	<u>106.12</u>	<u>88.61</u>

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 22</b>		
<b>Finance Costs</b>		
Interest expense	0.02	0.15
	<u>0.02</u>	<u>0.15</u>



KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 23</b>		
<b>Depreciation</b>		
On Property Plant and Equipment	31.75	29.13
	<u>31.75</u>	<u>29.13</u>

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 24</b>		
<b>Other Expenses</b>		
Power and fuel	10.63	10.20
Rent	-	-
Repairs to buildings	0.24	0.00
Repairs to machinery	2.12	2.16
Repairs to Others	6.32	7.81
Rates and taxes, excluding, taxes on income	0.45	1.28
Audit Fees	0.25	0.25
Service charges	6.48	2.52
Equipment Hiring Charges	-	-
Bank charges	2.77	3.75
Insurance Charges	0.96	1.35
Donation	1.79	-
Legal & Professional Charges	6.31	3.54
Job Work Charges	13.75	13.15
Communication Expenses	1.67	2.12
Commission & Brokerage	-	3.32
Delivery ,Handling & Transportation Charges	33.40	38.98
BSE Listing Fees	0.25	0.25
Printing & Stationery	0.23	0.25
Miscellaneous Expenses	9.70	13.37
Sundry Balance Written Off / Back - (Net)	1.97	0.22
Travelling and Conveyance	8.64	6.71
Advertising & Sales Promotion Expenses	1.24	-
	<u>109.16</u>	<u>111.23</u>



KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 25</b>		
<b>Payment to Auditors</b>		
Payment to auditor		
- as auditor	0.25	0.25
- for reimbursement of expenses	0.04	-
	<u>0.29</u>	<u>0.25</u>

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 26</b>		
<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
Contingent liabilities		
- Guarantees - Counter guarantee provided by bank on behalf of company	10.36	-
Commitments		
- Estimated amount of letter of credit issued by bank (USD 54,264.51)	45.42	-
	<u>55.77</u>	<u>-</u>

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 27</b>		
<b>Earnings &amp; Expenditure in Foreign Currency</b>		
<b>A. Earnings</b>		
Export of goods calculated on F.O.B. basis	1.14	-
<b>B. Expenditures</b>		
Travelling Expenses	3.20	-
Purchase of goods	394.94	380.71



KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022
<b>Note: 28</b>		
<b>CIF Value of Imports</b>		
Raw material	394.94	380.71
	<u>394.94</u>	<u>380.71</u>

Particulars	Imported Goods			Indigenous Goods			Total
	Raw Materials	Spare Parts	Component s	Raw Materials	Spare Parts	Components	
31st March 2023	394.94	-	-	390.90	-	-	785.85
	50%	-	-	50%	-	-	100%
31st March 2022	467.31	-	-	303.15	-	-	770.46
	61%	-	-	39%	-	-	100%

**Note: 29**

**Related party disclosure**

**(a). List of Related Parties and Relationships**

Name of Related Party	Relation
Key Management Personnel	
Ms. Rekha Kanakia	Managing Director
KMS Manufacturing Co. - Mr. Gaurang Kanakia	Director
KMS Tours & Travel - Prop. Mr. Anand Kanakia	CFO
Mr. Siddharth Kanakia	Director
Mr. Rohan Kanakia	Director
Ms. Maryam Khalil Bahanan (FY 21-22)	Company Secretary
Mr. Sunny Gupta (FY 22-23)	Company Secretary

**Other Related Parties (Where transactions have taken place during the year and previous year / balance outstanding)**

Dermacare Surgicals Pvt Ltd Enterprise having Common Management

	Amount in Rs. lacs	
	31st March, 2023	31st March, 2022

**(b) Related Party Transactions**

**(A) Transactions during the year:**

**Sale of Goods**

KMS Manufacturing Co.	797.77	824.42
Dermacare Surgicals Pvt Ltd	1.12	0.88

**Purchases of Goods**

Dermacare Surgicals Pvt Ltd	8.82	54.41
KMS Manufacturing Co.	52.54	-

**Expenditure**

Managing Directors Remuneration	9.75	9.75
Company Secretary Salary	1.02	2.32

**(B) Balance outstanding at the end of year:**

**Trade Receivables**

KMS Manufacturing Co.	594.32	597.84
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**Trade Payables**

Dermacare Surgicals Pvt Ltd	-	14.33
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**Unsecured Loans**

Mr. Gaurang Kanakia	34.49	34.49
Mr. Anand Kanakia	64.59	64.59



KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

Note: 31

Earnings Per Share

A. Key Managerial Personnel

Basic earning per share has been calculated by dividing profit for the year, attributable to the equity share holders by the weighted average number of equity shares outstanding during the year. The Company has not issued any potential equity shares and accordingly the basic earning per share and the diluted earning per share is same. Earning per share is computed as follows.

	F.Y. 22-23	F.Y. 21-22
Profit for the year (Rs.in lacs)	57.29	21.52
Weighted Average no of Shares (Rs.in lacs)	33.00	33.00
Earning per Share (in Rs.)	1.74	0.65

Note: 32

Preivous year

Previous year's figures have been regrouped, reclassified and restated where necessary to correspond with the figures of the current year.

Previous year's figures have been audited by a firm of chartered accountants other than Dalal Doctor & Associates

Note: 33

Internal audit

The Company is in process of getting an internal audit as required by section 138 of the Companies Act 2013 read with Companies (Accounts) Rule 2014.





KMS MEDISURGI LIMITED

Notes to the financial statements for the year ended 31 March 2023

Amount in Rs. lacs  
31st March, 2023

Note: 34

Employee Benefit Plans

The following table set out the status of the gratuity plan as required under AS 15 (Revised):

Reconciliation of Benefit Obligations and Plan Assets

Change in benefit obligation	
Obligation at the beginning of the year	13.90
Interest cost	1.01
Current Service cost	2.01
Benefits paid	-
Actuarial (gain) / loss in obligations	(1.18)
Obligation at year end	15.73

Change in Fair value of plan assets	
Fair value of plan assets at the beginning of the year	16.16
Expected return on the plan assets	1.20
Contributions by the employer	0.76
Benefits paid	-
Actuarial gain / (loss) on plan assets	-
Fair value of plan assets at year end	18.12

Expenses recognized in Profit & Loss Account	
Current service cost	2.01
Interest Cost	1.01
Expected return on plan assets	(1.20)
Net actuarial (gain) / loss recognized during the year	(1.18)
Expenses recognized in Profit & Loss Account	0.64

Reconciliation of Present Value of the obligation and the Fair value of the plan assets	
Liability at year end	15.73
Fair value of plan assets at year end	18.12
Funded Status	2.38
Asset / (Liability) recognized in the Balance Sheet	2.38

Assumptions	
Discount Rate	7.25
Expected Rate of Return on Plan Assets	-
Salary Escalation Rate	5

Note: The company has adopted actuarial valuation accounting for the first time during the year and hence comparable figures are not available.



31st March, 2023 31st March, 2022

**Note: 35****(1) Ratio Analysis****A. Current Ratio**

Current Assets	772.57	824.16
Current Liabilities	150.59	217.19
Current ratio	513%	379%
Increase / (Decrease) in ratio	35%	

Reason for Increase / (Decrease) - The decrease in current assets is less in proportion to reduction in current liabilities, hence there is increase in the ratio

**B. Debt Equity Ratio**

Long term borrowings	99.07	99.07
Short term borrowings	-	-
Total Debt	99.07	99.07

## Share Capital

Reserves & Surplus	330.00	330.00
	392.52	336.88

## Shareholder's Equity

	722.52	666.88
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Debt Equity Ratio	14%	15%
Increase / (Decrease) in ratio	-8%	

Reason for Increase / (Decrease) - not applicable

**C. Debt Service Coverage Ratio**

Profit after taxes	57.29	21.52
Add: Interest	0.02	0.15
Depreciation & Amortization	31.75	29.13
Earnings available for debt service	89.06	50.80

## Interest

Short term borrowings	0.02	0.15
Debt Service	-	-
	0.02	0.15

Debt Service Coverage Ratio	5,136	340
-----------------------------	-------	-----

Increase / (Decrease) in ratio

Reason for Increase / (Decrease) - Since there are insignificant borrowings made by company, there is increase in the ratio.

**D. Return on equity**

Net profit after taxes	57.29	21.52
Equity (As defined in Debt Equity Ratio)	722.52	666.88
Return on equity ratio	0.08	0.03
Increase / (Decrease) in ratio	146%	

Reason for Increase / (Decrease) - Due to increase in net profit there is increase in the ratio.

**E. Inventory Turnover Ratio**

Cost of Goods Sold	791.36	779.18
Opening stock	96.60	66.67
Closing stock	91.97	96.60
Average Inventory	94.28	81.63

Inventory Turnover Ratio	0.12	0.10
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Increase / (Decrease) in ratio

Reason for Increase / (Decrease) - not applicable

**F. Trade Receivables turnover Ratio**

Revenue from Operations	1,102.73	1,031.69
Trade Receivables (Excluding unbilled revenue)	653.55	654.43

Trade Receivable Turnover ratio (in days)	1.69	1.58
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Increase / (Decrease) in ratio

Reason for Increase / (Decrease) - not applicable

**G. Trade Payables Turnover Ratio**

Net Credit Purchases	786.73	809.10
Trade Payables	126.81	213.91

Trade Payables Turnover Ratio (in days)	6.20	3.78
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Increase / (Decrease) in ratio

Reason for Increase / (Decrease) - The repayment to trade payables has been increased hence there is improvement in the ratio .



**KMS MEDISURGI LIMITED**

Notes to the financial statements for the year ended 31 March 2023

**H. Net Capital turnover ratio**

Revenue from Operations	1,102.73	1,031.69
Current assets - Current Liabilities	621.98	606.97
Net Capital turnover ratio	1.77	1.70
Increase / (Decrease) in ratio	4%	
Reason for Increase / (Decrease) - not applicable		

**I. Net Profit Ratio**

Net Profit	57.29	21.52
Revenue from Operations	1,102.73	1,031.69
Net Profit Ratio	0.05	0.02
Increase / (Decrease) in ratio	149%	
Reason for Increase / (Decrease) - Due to increase in net profit there is increase in the ratio.		

**J. Return on capital employed**

Profit before taxes	65.85	28.52
Add: Interest	0.02	0.15
Profit before interest and taxes	65.87	28.67

**Share Holders Funds**

Share Holders Funds	873.12	884.07
Add: Borrowings		
Total Capital Employed	873.12	884.07
Return on capital employed	0.08	0.03
Increase / (Decrease) in ratio	133%	
Reason for Increase / (Decrease) - Due to increase in net profit there is increase in the ratio.		

**K. Return on Investment**

Since company has no investments, this ratio is not applicable.



**KMS MEDISURGI LIMITED**

Notes to the financial statements for the year ended 31 March 2023

**Note: 36**

Undisclosed Income

The company has no undisclosed income during the year, in the tax assessments conducted under the Income Tax Act, 1961 (Previous Year - NIL)

**Note: 37**

Crypto Currency or Virtual Currency

The Company does not deal in Crypto Currency or Virtual Currency.

**Note: 38**

Revaluation of assets

The Company has not revalued its Property, Plant and Equipment.

**Note: 39**

Company has not given any loans or advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) during the financial year 2022-2023.

**Note: 40**

Benami Property

There are no proceedings initiated / pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder as at March 31, 2023 and March 31, 2022.

**Note: 41**

Borrowing from Banks/FI on the security of Current Assets

The company has not obtained any facility against the security of current assets of the company.

**Note: 42**

Willful Defaulter

The Company has not been declared as a willful defaulter by banks, financial institutions, Government or any other lender. Moreover, the company has not availed any loans from banks, financial institutions, Government or any other lender.

**Note: 43**

Relationship with Struck off Companies

During financial year 2022-23 and financial year 2021-22, the Company did not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**Note: 44**

Compliance with number of layers of companies

The Company is not the holding Company. Hence disclosure requirements pertaining to number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable.

**Note: 45**

Compliance with approved Scheme(s) of Arrangements

During the year no scheme of arrangements have been entered into by the company.

**Note: 46**

Utilisation of Borrowed funds and share premium:

I. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

II. The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note: 47**

Details of proposed dividend

Particulars	Amount in Rs. lacs	
	31-03-2023	31-03-2022
Proposed dividend	1.65	1.65
Dividend per share (in Rs.)	0.05	0.05

**Note: 48**

Title deeds of Immovable Property not held in name of the Company

The title deeds of immovable property are held in the name of the the company. Hence other disclosure requirements are not applicable.

