



KMS MEDISURGI LIMITED

ANNUAL REPORT

2017-2018

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CORPORATE INFORMATION

Board of Directors and Key Managerial Personnel:

Gaurang Prataprai Kanakia (DIN: 00346180)	Chairman and Managing Director
Rekha Devang Kanakia (DIN: 00346198)	Woman Non-Executive Director
Siddharth Gaurang Kanakia (DIN: 07595098), (joined w.e.f. 02 nd May, 2018)	Non-Executive Non Independent Director
Niraj Kumud Shah (DIN: 02202596), (resigned w.e.f. 02 nd May, 2018)	
Hardik Rajnikant Bhatt (DIN: 07566870)	Independent Director
Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director
Anand Prataprai Kanakia	Chief Financial Officer
Swati Shah (joined w.e.f. 19 th June, 2018)	Company Secretary and Compliance Officer
Vaijanti Sawant (joined on 02.05.2018, resigned w.e.f. 19 th June,2018)	
Kirty Agarwal (resigned w.e.f. 02 nd May, 2018)	

Committees:

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

OTHER INFORMATION

Registered Office/Corporate Office

297/301, May Building, Ground Floor,
Princess Street, Marine Lines- (East),
Mumbai- 400002, Maharashtra, India.
Tel No.: +91-22-66107700/22,022-67498822,
Web: www.kmsgroup.in
Mail id: kms.medisurgi@gmail.com
info@kmsgroup.in

Banker:

Union Bank, Mumbai
Saraswat Co-operative Bank, Mumbai

Listing:

BSE Limited-SME Platform
PJ Towers, Dalal Street, Mumbai- 400001
w.e.f. , 24th April , 2017

Statutory Auditors:

M/s Kalpesh Jain & Associates.
Chartered Accountants,
7/A, Old Wadia Bldg,
Block No. 18, Chandanwadi,
Mumbai-400002, Maharashtra
Tel No.:+91-22-22090367
Email id: kjainassociates@gmail.com
Contact Person: CA Kalpesh Jain/ Akash Balani

Registrar & Transfer Agent:

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

Contact Details for Investors:

297/301, May Building, Ground Floor,
Princess Street, Marine Lines East
Mumbai-400002
Maharashtra, India.
Tel No.: +91 –22-65605550/ 2207111
Fax No.: +91-22-22061111
Web: www.kmsgroup.co.in
Mail id: kmsboffice@gmail.com

LETTER TO SHAREHOLDERS

Dear Shareholders,

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

We are fortunate and humbled by the response received for the Initial Public Offering (IPO) of the shares of KMS Medisurgi Limited, which was listed in the financial year 2017-18 on 24th April, 2017 on BSE SME Platform.

The support given to the IPO was very heart warming and I would like to thank all our investors for showing confidence and trust in management capabilities of KMS MEDISURGI LIMITED.



KMS MEDISURGI LIMITED

CIN: U51397MH1999PLC119118

**Regd Office : 297/301, May Building, Ground Floor, Princess Street, Marine Lines- (East),
Mumbai- 400002, Maharashtra, India, Ph-022-66107700/22,022-67498822, Facsimile:
+91-22-22061111,**

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

NOTICE

20TH ANNUAL GENERAL MEETING

Notice is hereby given that **20th Annual General Meeting** of the members of KMS Medisurgi Limited will be held at the registered office of the Company at 297/301, May Building, Ground Floor, Princess Street, Marine Lines- (East), Mumbai- 400002, on **Saturday, 29th September, 2018 at 11:30 a.m.**, to transact the following business :-

ORDINARY BUSINESS

1. Adoption of Financial Statement

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

"RESOLVED THAT the Company to consider and approve the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018, together with the Reports of the Directors and Auditor's report thereon."

2. Declaration of Dividend

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

"RESOLVED THAT, the Company to declare final dividend at the rate of Re. 0.05 (0.5%) per equity share of Rs 10/- for the year ended 31st March, 2018."

3. Re- appointment of Mr. Gaurang Prataprai Kanakia (DIN: 00346180) as a Director liable to retire by rotation

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

"RESOLVED THAT, the Company to re- appoint Mr. Gaurang Prataprai Kanakia (DIN: 00346180), who retires by rotation and is eligible, as the Director of the Company."

4. Modification to the resolution related to appointment of Statutory Auditors

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 amendments to the Section 139 of the Companies Act, 2013, effective from 7th May 2018, the consent of the members of the Company be and is hereby accorded to delete the requirement, seeking ratification of appointment of Statutory Auditors (M/s. Kalpesh Jain & Associates, Chartered Accountants, Firm Registration No. 132603W) at every Annual General Meeting, from the resolution passed at the shareholders meeting held on 30th September 2017."

SPECIAL BUSINESS:

5. Regularization of an Additional Director Mr. Siddharth Gaurang Kanakia (DIN: 07595098) as a Non- Executive Non- Independent Director.

“RESOLVED THAT, Mr. Siddharth Gaurang Kanakia (DIN: 07595098), who was appointed as an Additional Director on the Board of Directors of the Company with effect from 02nd May, 2018, in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to take all the steps as may be necessary to give complete effect to this resolution.”

Date: 6th September, 2018

For KMS Medisurgi Limited

Place: Mumbai

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

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote on a Poll instead of himself and a Proxy need not be a Member. Proxy form, in order to be effective, must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.** A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
2. An Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting under **Item No. 5** is annexed hereto.
3. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under **Item No. 3** of the notice, are annexed.
4. The register of members and transfer books of the company shall remain closed from Saturday, 22nd September, 2018 to Saturday, 29th September, 2018 (both days inclusive) for the purpose of 20th Annual General Meeting and for determining the names of members eligible for dividend on Equity Shares, if declared at a meeting.
5. If the dividend as recommended by the Board is approved at the AGM, payment of such dividend will be made on or after Friday, 5th October, 2018:
 - i to all the Members in respect of shares held in physical form whose names appear on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Friday, 21st September, 2018; and
 - ii to all Beneficial Owners in respect of shares held in electronic form whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on Friday, 21st September, 2018.
6. The notice of 20th Annual General Meeting of the Company and Annual Report 2017-18 is available on the Company's website at **www.kmsgroup.in**
7. Members/Proxy holders are requested to bring their copy of Annual Report and Attendance slip sent herewith, duly filled-in for attending the Annual General Meeting.
8. Members who wish to obtain information of the Company may send their queries at least 10 days before the Annual General Meeting to the Company Secretary at the Corporate Office of the Company.
9. The Shareholders are requested to notify changes of their address immediately to the Registrars & Transfer Agent **Karvy Computershare Pvt. Ltd.** The Company or its registrar will not act on any request received directly from the shareholder holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant by the Shareholders.

10. Non Resident Indian Members are requested to inform Registrar and Transfer Agent, immediately of:
 - i. Change in their residential status on return to India for permanent settlement.
 - ii. Particulars of their Bank Account maintained in India with complete name, branch, account, type, account number and address of the bank with pin code number, if not furnished earlier.
11. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
12. Electronic copy of the Annual Report is being sent to the members whose email IDs are registered with the Company/ Depository Participant. For members who have not registered their email addresses, physical copies of the Annual Report 2017-18 is being sent in the permitted mode. Members who have not registered their email addresses, so far, are requested to register their email addresses in respect of electronic holdings with the Depository Participants.
13. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
14. In compliance with Section 108 of the companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and regulation 44 of the Listing Regulation, the company is not providing e-voting facility as SME listed company is not required to provide e-voting facility.
15. Information to Shareholders in pursuance of the Listing Regulations with reference to regularisation of Additional Director in item no. 5 and item no. 4 of the notice is provided in the Explanatory Statement under section 102 of the Companies Act, 2013 and for item no. 3 for re- appointment of Director is annexed herewith the notice.

ANNEXURE TO THE NOTICE

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

Annexure of Item No: 03

Name of Director	Gaurang Prataprai Kanakia
DIN	00346180
Date of Birth	19/11/1958
Date of first Appointment	25/03/1999
Qualification	HSC
Expertise in specific functional areas and experience	Mr. Gaurang Prataprai Kanakia aged about 59 years, is the promoter and Director of KMS Medisurgi Limited. He is Higher Secondary by qualification. He has more 10 years in the Finance Domain. He is responsible for overall planning and & management of the company.
Directorship held in other Companies	<ol style="list-style-type: none">1. Dermacare Surgicals Private Limited2. Moni Diamonds Limited3. KMS Comtrade Private Limited4. KMS Manufacturing Limited
Committee positions held in other Companies	Nil
No. of Equity Shares held in the Company as on 31.03.2018	3,28,180 Equity Shares

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

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

Item No. 4

The Shareholders had at 19th Annual General Meeting of the Company held on 30th September, 2017, appointed M/s Kalpesh Jain & Associates, Chartered Accountants, Firm Registration No. 132603W as Statutory Auditors of the Company, to hold the office from the conclusion of the 19th AGM of the Company till the conclusion of 24th AGM, subject to ratification of such appointment by the shareholders at every AGM.

Pursuant to amendments of section 139 of the Companies Act, 2013 effective from 7th May, 2018, the requirement related to ratification of appointment of Statutory Auditors by the members of the Company at every AGM was omitted.

In view of the above, it is proposed to delete the requirement of seeking ratification of appointment of Statutory Auditors at every AGM from resolution passed at the shareholders meeting held on 30th September, 2017.

The Board recommends the resolution at Item No 4 of the Notice, for deleting the requirement of seeking ratification of appointment of Statutory Auditors at every AGM, for your approval, as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way concerned or interested in the resolution.

Item No. 5: Regularization of an Additional Director Mr. Siddharth Gaurang Kanakia (DIN: 07595098) as a Non- Executive Non- Independent Director.

Mr. Siddharth Gaurang Kanakia (DIN: 07595098), who was appointed as an Additional Director on the Board of Directors of the Company with effect from 02nd May, 2018, in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of 20th Annual General Meeting, be and is hereby appointed as a Director of the Company."

None of the Directors and Key Managerial Personnel except Mr. Siddhart Gaurang Kanakia in his personal capacity, for whom the Resolution relates, is interested or concerned in the Resolution.

Date: 6th September, 2018
Place: Mumbai

For KMS Medisurgi Limited

Gaurang Kanakia
Managing Director
(DIN: 00346180)

BOARD OF DIRECTOR'S REPORT

To,
The Members,
KMS MEDISURGI LIMITED

Your Directors have pleasure in presenting their 20th Annual Report on the business and operation of the company and the accounts for the financial year Ended **31st March, 2018**.

1. FINANCIAL RESULTS

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

Sr. No.	Particulars	31.03.2018	31.03.2017
		(Rs.)	(Rs.)
1.	Revenue from operations	7,32,35,947	7,90,06,413
2.	Other Income	35,32,236	17,24,716
3.	Total Revenue	7,67,68,183	8,07,31,129
4.	Less: Expenses	7,49,60,694	7,71,75,844
5.	Profit before Tax	20,97,173	35,55,285
6.	Provision for Tax	8,50,000	14,12,000
7.	Income Tax	0	0
8.	Prior Years Tax Adjustments	0	0
9.	Profit after Tax	9,57,489	21,43,285

2. FINANCIAL HIGHLIGHTS

During the financial year ended 31st March, 2018, the total revenue was Rs. **7,67,68,183/-** as against Rs. **8,07,31,129/-** in the previous year. For March 31, 2018, Company's Net Profit after tax was Rs. **9,57,489/-** as against Rs. **21,43,285/-** in the previous year.

Initial Public Offer (IPO) of Rs. 2,70,00,000 (Rupees Two Crore Seventy Lakhs only) divided into 9,00,000 Equity Shares of Rs. 10/- each issued at Rs. 30/- per shares, being Rs. 20/- Premium per shares.

3. CAPITAL STRUCTURE

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 Lakhs) Equity shares of Rs 10/- each.

The Paid- up Share Capital has increased to Rs. 3,30,00,000/- (Rupees Three Crore Thirty lakhs only) divided into 33,00,000 Equity shares of Rs. 10/- each fully paid- up from Rs. 2,40,00,000/- (Rupees Two Crore Forty Lakhs only) divided into 24,00,000 Equity shares of Rs. 10/- each fully paid- up

4. DIVIDEND

Your Directors are pleased to recommend a Dividend of 0.5% i.e. Re. 0.05 Per Equity Share of face value of Re. 10/- each fully paid up aggregating to Rs. 1,65,000/- for the year ended 31st March 2018 subject to the approval of Members at the Annual General Meeting on 29th September, 2018.

5. DEPOSIT

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

6. CHANGES IN NATURE OF BUSINESS

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

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

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

8. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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

9. RELATED PARTY TRANSACTIONS

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

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

10. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

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

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company has not given any loans or guarantees or investments covered under the provisions of section 186 of the Companies Act, 2013 during the Financial Year 2017-18.

12. TRANSFER TO RESERVES

The Company has transferred Rs. **9,57,489/-** to the Reserve & Surplus and the same is in compliance with the applicable provisions prescribed under the Companies Act, 2013.

13. DIRECTORS

Retire by Rotation- Gaurang Prataprai Kanakia

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Gaurang Prataprai Kanakia , Director (DIN: 00346180) of the company is liable to retire by rotation in the 20th Annual General Meeting and being eligible, he offer himself for re-appointment.

14. KEY MANAGERIAL PERSONNEL

Pursuant to the Section 2(51) and provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Key Managerial Personnel (KMP) of the Company as on 31st March, 2018 are as follows:

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

15. BOARD EVALUATION

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

16. MEETING OF BOARD OF DIRECTORS

A) Number of Board Meetings in the year (2017- 18)

During the year 09 meetings of the Board of Director's were held. Detail is as below:

Sr. No	Date of Meetings
1.	04.04.2018
2.	20.04.2018
3.	24.04.2018
4.	24.07.2018
5.	05.09.2018
6.	19.09.2018
7.	14.11.2018
8.	12.01.2018
9.	20.03.2018

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

Sr. No.	Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	No. of Committee Membership in which he/she is a Chair Person
1	Gaurang Prataprai Kanakia (DIN: 00346180)	Chairman and Managing Director	9	Yes	Member in one Committee
2	Rekha Devang Kanakia (DIN: 00346198)	Woman Non-Executive Director	9	Yes	Member in one Committee
3	Niraj Kumud Shah (DIN: 02202596)	Non-Executive Non Independent Director	9	Yes	Member in one Committee
4	Hardik Rajnikant Bhatt (DIN: 07566870)	Independent Director	9	Yes	Chairman in One Committee & Member in two Committee
5	Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director	9	Yes	Chairman in Two Committee & Member in One Committee

17. MEETING OF MEMBERS

During the year, **19th Annual General Meeting** of the Company was held on **30th September, 2017**.

18. COMMITTEES

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

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

A. Audit Committee

1. During the year, 5 Audit Committee meetings were held, on the following, detail is as follows:

Sr. No	Date of Meetings
1.	04.04.2017
2.	24.07.2017
3.	05.09.2017
4	14.11.2017
5	10.03.2018

2. Attendance of Directors in Audit Committee Meeting:

Sr. No.	Name	Designation	Position in committee	No. of Meetings Attended
1	Hardik Rajnikant Bhatt (DIN: 07566870)	Independent Director	Chairman	5
2	Kamlesh Chunilal Rajani (DIN: 07588417)	Independent Director	Member	5
3	Niraj Kumud Shah (DIN: 02202596)	Non Independent Non Executive Director	Member	5

B. Nomination & Remuneration Committee

1. During the year, 1 Nomination & Remuneration Committee meetings was held, detail is as follows:

Sr. No	Date of Meetings
1.	31.03.2018

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

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

C. Stakeholder's Relationship Committee

1. During the year Four Stakeholder's Relationship Committee meetings were held, detail is as follows:

Sr. No	Date of Meetings
1.	30.06.2017
2.	03.10.2017
3.	02.01.2018
4.	02.04.2018

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

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

D. Independent Director Meeting

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

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

Sr. No	Date of Meetings
1.	31.03.2018

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

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

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

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

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

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

21. EXTRACT OF ANNUAL RETURN

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

22. DIRECTORS' RESPONSIBILITY STATEMENT

- i. To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 134(3) (c) of the Companies Act, 2013.
- ii. That in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- iii. That such accounting policies, as mentioned in the Financial Statements as 'Significant Accounting Policies' have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- iv. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- v. That the annual financial statements have been prepared on a going concern basis;
- vi. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- vii. Those proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

23. AUDITORS

(I) Statutory Auditors

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

(II) Secretarial Auditors

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

The Secretarial Audit Reports does not contain any qualification.

24. DISCLOSURE OF EMPLOYEES REMUNERATION

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs.60 Lakhs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs.60 Lakhs during the financial year 2016-17.

Appointment & Remuneration of Managerial Personnel is annexed herewith as "**Annexure-D**"

25. POLICY

• VIGIL MECHANISM (WHISTLE BLOWER POLICY)

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

• REMUNERATION POLICY

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

26. CORPORATE GOVERNANCE

Company is listed on BSE-SME. Hence, Corporate Governance Report is not applicable to the company for financial year 2016-17.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

28. LISTING OF SHARES

The Company issued a Prospectus dated **30th March 2017** and the basis of allotment was finalized in consultation with the BSE Limited on 20th April 2017. The Company allotted fully paid up 9,00,000 Equity Shares of Rs. 10/- each at a price of Rs. 30 /- per Share (including Premium of Rs.20/- per Share). The Equity Shares of the Company were listed and admitted to dealings on the SME Platform of BSE Limited with effect from 24th April, 2017. Further, The Annual listing Fee for the year 2018-19 has been paid.

29. SEXUAL HARASSMENT

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

30. GOODS & SERVICE TAX REGISTRATION

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

LOCATION OF PRIMARY PLACE OF BUSINESS	GSTIN ALLOTTED
Mumbai	27AAACK9269Q1ZM

31. ACKNOWLEDGEMENT

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

Date: 6th September, 2018

For, KMS Medisurgi Limited

Place: Mumbai

Gaurang Kanakia
Managing Director
(DIN: 00346180)

Rekha Kanakia
Director
(DIN: 00346198)

ANNEXURE TO DIRECTOR'S REPORT:

ANNEXURE A

FORM AOC-2

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

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

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

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

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

During the year, the following transaction took place:

SL NO	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
a)	Dermacare Surgical Pvt. Ltd.	Purchase of Goods and Materials	1 year	45,31,786/-	04.04.2017	NA
b)	Dermacare Surgical Pvt. Ltd.	Sale of Goods and Materials	1 year	2,08,980/-	04.04.2017	NA
c)	KMS Manufacturing Company	Purchase of Goods and Materials	1 year	1,02,78,027/-	04.04.2017	NA
d)	Gaurang Kanakia Niraj Shah	Salaries	1 year	15,000/- 6,00,000/-	04.04.2017	NA
e)	KMS Manufacturing Company	Sales of Goods and Materials	1 year	5,46,72,502/-	04.04.2017	NA
f)	KMS Manufacturing Company	Job work	1 year	42,35,451/-	04.04.2017	NA
g)	KMS TOURS & TRAVELS	Car Leasing Income	1 Year	9,02,821/-	04.04.2017	NA

(h). Date on which the special resolution was passed in general meeting (if any): - NA

Date: 6th September, 2018
Place: Mumbai

For, KMS Medisurgi Limited

Gaurang Kanakia
Managing Director
(DIN: 00346180)

Rekha Kanakia
Director
(DIN: 00346198)

ANNEXURE B

FORM MGT- 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2018 [Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
Sub-total(A)(2):-									
Total Shareholding of promoter (A) = (A)(1)+(A)(2)	12,99,580	-	12,99,580	39.38%	12,99,580	-	12,99,580	39.38%	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	2,32,000	-	2,32,000	7.03%	-
b) Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	420	-	420	0.02	1,72,420	-	1,72,420	5.22%	5.2%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs	11,00,000 -	-	11,00,000	45.83	15,96,000	-	15,96,000	48.36%	2.53%
c) Others(Specify)									
Sub-total(B)(2)	1,100,410	-	1,100,410	45.85%	17,68,420	-	17,68,420	53.58%	7.74%
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,100,410	-	1,100,410	45.85%	20,00,420	-	20,00,420	60.62%	14.77%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	24,00,000		24,00,000	100%	33,00,000		33,00,000	100%	

ii. Shareholding of Promoters and Promoters group

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
A. Individuals								
1	Gaurang Prataprai Kanakia	3,28,180	13.67%	-	3,28,180	13.67%		-
2	Anand Prataprai Kanakia	3,37,400	14.06%	-	3,37,400	14.06%		-
3	Rekha Devang Kanaki			-	4,42,000			13.39%
4	Sushila Prataprai Kanakia			-	4,40,000			13.33%
5	Amrita Gaurang Kanakia			-	1,68,000			5.09%
6	Siddharth Prataprai Kanakia			-	50,000			1.52%
7	Kaushali Gaurang Kanakia			-	210			0.01%
8	Monali Gaurang Kanakia			-	210			0.01%
B Body Corporate								
1	Moni Diamonds Ltd.	6,34,000	26.42%		6,34,000	26.42%		-

iii. Change in Promoters' Shareholding

Sr. No	Name of Shareholders	Shareholding at the beginning of the year 01.04.2017		Shareholding at the end of the year 31.03.2018	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Gaurang Prataprai Kanakia	3,28,180	13.67%	3,28,180	13.67%
2	Anand Prataprai Kanakia	3,37,400	14.06%	3,37,400	14.06%
3	Moni Diamonds Limited	6,34,000	26.42%	6,34,000	26.42%

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

Sr. No.	For Each of Top 10 Shareholders	Shareholding as on 01.04.2017		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1	Sushila Prataprai Kanakia				
	At the beginning of the year	4,40,000	13.33%	4,40,000	13.33%
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year (or on the date of separation, if separated during the year)	4,40,000	13.33%	4,40,000	13.33%
2	Amrita Gaurang Kanakia				
	At the beginning of the year	1,68,000	5.09%	1,68,000	5.09%
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-			
	At the End of the year (or on the date of separation, if separated during the year)	1,68,000	5.09%	1,68,000	5.09%
3	Motive Broking & Advisory Private Limited				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The Company had issued shares under IPO in Month of April, 2017			
	At the End of the year (or on the date of separation, if separated during the year)	1,40,000	4.24%	1,40,000	4.24%
4	Naysaa Securities Limited				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The Company had issued shares under IPO in Month of April, 2017			

	At the End of the year (or on the date of separation, if separated during the year)	80,000	2.42%	80,000	2.42%
5	Ashok Babubhai Lade				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The Company had issued shares under IPO in Month of April, 2017			
	At the End of the year (or on the date of separation, if separated during the year)	64,000	1.94%	64,000	1.94%
6	Dodia Gita Hitesh				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The Company had issued shares under IPO in Month of April, 2017			
	At the End of the year (or on the date of separation, if separated during the year)	60,000	1.82%	60,000	1.82%
7	Siddharth Gaurang Kanakia				
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The Company had issued shares under IPO in Month of April, 2017			
	At the End of the year (or on the date of separation, if separated during the year)	50,000	1.52%	50,000	1.52%
8	Yagnesh Manaharlal Joshi				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The Company had issued shares under IPO in Month of April, 2017			
	At the End of the year (or on the date of separation, if separated during the year)	40,000	1.21%	40,000	1.21%
9	Shrenik Prafulchandra Sanghvi				
	At the beginning of the year	-	-	-	-

	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The Company had issued shares under IPO in Month of April, 2017			
	At the End of the year (or on the date of separation, if separated during the year)	28,000	0.85%	28,000	0.85%
10	Alpeshkumar Parbhul Kubadiya (HUF)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	The Company had issued shares under IPO in Month of April, 2017			
	At the End of the year (or on the date of separation, if separated during the year)	20,000	0.61%	20,000	0.61%

v. Shareholding of Directors and Key Managerial Personnel:

Sr, No	Name of Shareholders	Shareholding at the beginning of the year 01.04.2017		Shareholding at the end of the year 31.03.2018	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Gaurang Prataprai Kanakia	3,28,180	13.67%	3,28,180	13.67%
2	Anand Prataprai Kanakia	3,37,400	14.06%	3,37,400	14.06%
3	Rekha Devang Kanakia	4,42,000	13.39%	4,42,000	13.39%

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	1,91,82,909	64,84,709	--	2,56,67,618
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	1,91,82,909	64,84,709	--	2,56,67,618
Change in Indebtedness during the financial year	-	15,73,645		
- Addition	81,89,736	-	-	-
- Reduction		-	-	-

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Net Change	81,89,736	15,73,645	-	-
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	1,09,93,173	80,58,354	-	1,90,51,527

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Gaurang Prataprai Kanakia	Rekha Devang Kanakia	Niraj Kumud Shah	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	15,000	-	6,00,000	6,15,000
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission - as % of profit - others, specify...	-	-		-
5.	Others, please specify	-	-		-
6.	Total(A)	15,000	-	6,00,000	6,15,000
	Ceiling as per the Act		Within Limits		

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Kirty Agarwal	CFO Anand Prataprai Kanakia	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,46,000	NIL	4,46,000
		-		

	(b)Value of perquisites u/s 17(2)Income-tax Act,1961	-		
	(c)Profits in lieu of salary under section17 (3)Income-tax Act,1961	-		
2.	Stock Option	-		
3.	Sweat Equity	-		
4.	Commission - as% of profit -others, specify...	-		
5.	Others, please specify	-		
6.	Total	4,46,000	<u>NIL</u>	4,46,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Date: 6th September, 2018
Place: Mumbai

For, KMS Medisurgi Limited

Gaurang Kanakia
Managing Director
(DIN: 00346180)

Rekha Kanakia
Director
(DIN: 00346198)

ANNEXURE C

SECRETARIAL AUDIT REPORT

Secretarial Audit Report

FORM NO. MR-3

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

To,
The Members,
KMS MEDISURGI LIMITED
297/301 May Building, Gr. Floor
Marine lines (East) Princess Street,
Mumbai – 400 002

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

i. Management ' Responsibility for Secretarial Compliances

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

ii. Auditor's Responsibility

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

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

Based on my verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31stMarch, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. KMS MEDISURGI LIMITED** ("the Company") for the financial year ended on 31stMarch, 2018, according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

I further report that:

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

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

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

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

I further report that during the audit period, there were following specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:-

- The Company has issued and allotted 12,00,000 equity shares of the face value of 10.00 each to the existing Shareholders as Bonus Shares in the proportion of 1 new Equity Shares against each 1 Equity Share held by the existing Shareholders on 20th July, 2016. Further, the Company has given Public Issue of 9,00,000 equity shares of KMS MEDISURGI LIMITED at a price of Rs. 30 per share (the "issue price") and allotted the shares on 20th April, 2017. The shares of the Company were listed on SME Platform of BSE Limited on 24th April, 2017.

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

Date: 6th September, 2018

For Mayank Arora & Co.

Place: Mumbai

**Mayank Arora
Proprietor
C.P. No. 13609**

Other Laws applicable to the Company

(A) Commercial Laws

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

(B) Immovable and Intellectual Property Laws

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

(C) Labour Laws

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

(E) Others

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

Date: 6th September, 2018

For Mayank Arora & Co.

Place: Mumbai

**Mayank Arora
Proprietor
C.P. No. 13609**

To,
The Members,
KMS MEDISURGI LIMITED
297/301 May Building, Gr. Floor
Marine lines (East) Princess Street,
Mumbai – 400 002

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

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

Date: 6th September, 2018

For Mayank Arora & Co.

Place: Mumbai

Mayank Arora
Proprietor
C.P. No. 13609

ANNEXURE D

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

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

Name	Ratio
Gaurang Prataprai Kanakia (DIN: 00346180)	6.03
Rekha Devang Kanakia (DIN: 00346198)	-
Niraj Kumud Shah (DIN: 02202596)	241.29
Hardik Rajnikant Bhatt (DIN: 07566870)	-
Kamlesh Chunilal Rajani (DIN: 07588417)	-

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

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

Name	Designation	%Decrease
Gaurang Prataprai Kanakia	Managing Director	-
Niraj Kumud Shah	Director	-
Anand Prataprai Kanakia	CFO	-
Kirity Agarwal	Company Secretary	-

- (iii) The percentage decrease in the median remuneration of employees in the financial year:
8.11%

- (iv) The number of permanent employees in the Company as on 31st March, 2018: 17

- (v) The explanation on the relationship between average increase in remuneration and Company performance: Company's PAT has decreased from Rs.21,43,285/- to Rs.9,57,489/-, showing decrease of 55.33% against which the average increase in remuneration is 5.93%.

- (vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:

% Increase (avg.) in remuneration of KMP	Company performance
88.16%	Company's PAT decreased by 55.33%

- (vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

Closing of Financial Year	Issued Capital (Shares)	Closing Market Price per share	EPS	PE Ratio	Market Capitalization (Rs. Lakhs)
31.03.2016	12,00,000	N.A.	1.14	N.A.	N.A.
31.03.2017	24,00,000	N.A.	0.89	N.A.	N.A.
31.03.2018	33,00,000	N.A.	0.64	N.A.	N.A.

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration :The average percentage increase already made in the salary of the employees other than managerial personnel in the last financial year i.e. 2017-18 is 5.93% whereas Remuneration of key managerial personnel is Increased by 88.16%.

(ix) Comparison of the each remuneration of the KMP against the performance of the Company:

Name	Remuneration of KMP (Rs. Lakhs)	Performance of the Company – PAT as on 31st March, 2018 (Rs. Lakhs)
Gaurang Prataprai Kanakia, Managing Director	0.15	9.57
Kirty Agarwal, Company Secretary	4.46	9.57

(x) The key parameters for any variable component of remuneration availed by the directors: Not Applicable

(xi) There is no variable component in the remuneration of the Key Managerial Personnel.

(xii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 100%

Date: 6th September, 2018

Place: Mumbai

For KMS Medisurgi Limited

**Gaurang Kanakia
Managing Director
DIN: 00346180**

CEO/CFO CERTIFICATION

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

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

1. We have reviewed financial statements and the cash flow statement for the year ending 31st March, 2018 and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting;

Date: 6th September, 2018

Place: Mumbai

For, **KMS MEDISURGI LIMITED**

Anand Prataprai Kanakia

Chief Financial Officer

GENERAL SHAREHOLDER'S INFORMATION

1 Annual General Meeting Scheduled to be held:

Date : Saturday, 29th September, 2018
Time : 11.30 A.M.
Venue : 297/301, May Building, Ground Floor, Princess Street, Marine Lines- (E),
: Mumbai- 400002, Maharashtra, India.

2 Book Closure and Record Date:

Book Closure : Saturday, 22nd September, 2018 to Saturday, 29th September, 2018.
Record Date : Friday, 21st September, 2018.

3 Stock Code

Bombay Stock Exchange Limited, Mumbai (BSE): 540468
ISIN: INE870V01014
CIN: L51397MH1999PLC119118

4 Stock Price data

Month wise high and low price of the Company's Shares at Bombay Stock Exchange Limited (BSE) from April, 2017 to March, 2018.

Month	Bombay Stock Exchange Limited (BSE)	
	High (Rs.)	Low (Rs.)
April 2017	32.4	30
May 2017	30.3	30
June 2017	30.25	30
July 2017	31.6	30
August 2017	32.8	30.15
September 2017	31.5	30.1
October 2017		
November 2017	30.15	30.15
December 2017		
January 2018	32.05	30.1
February 2018	30.1	30.1
March 2018	35.3	30.1

INDEPENDENT AUDITOR 'S REPORT

**To the Members of
KMS MEDISURGI LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of KMS Medisurgi Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY 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 and presentation 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, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 31st March, 2018, and its profits and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under;
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we refer to our separate Report in Annexure B and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 30th May, 2018
Place: Mumbai

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

Akash Balani
Partner
Membership No: 137827

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT.

Annexure A to the Independent Auditors; Report of even date to the members of the Company on the Financial Statements for the year ended 31st March, 2018

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

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

- viii According to information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the financial institution or banks or government as at Balance Sheet date.
- ix The Company has not raised any money by way of initial public offer, further public offer (including debt instruments). The company has not taken any term loans.
- x According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.
- xi The Company has not paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- xii In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly paragraph 3 (xii) of the Order is not applicable.
- xiii According to the information and explanation given to us, all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.
- xvi The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

Date: 30th May, 2018

Place: Mumbai

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

**Akash Balani
Partner
Membership No: 137827**

Annexure B to the Independent Auditors' Report

Annexure B to the Independent Auditors; Report of even date to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KMS MEDISURGI LIMITED. ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

Date: 30th May, 2018

Place: Mumbai

For Kalpesh Jain & Associates

Chartered Accountants

Firm Registration No.: 132603W

Akash Balani

Partner

Membership No: 137827

Auditor's Report on Financial Results of KMS Medisurgi Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
KMS Medisurgi Limited

We have audited the accompanying Statement of Financial Results ("the statement") of **KMS Medisurgi Limited** ("the company"), for the year ended 31st March, 2018, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. This Statement have been prepared on the basis of the financial statements of the company as at and for the year ended 31st March 2018. Our responsibility is to express an opinion on these financial results based on our audit of financial statements, which have been prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

We conducted our audit of the Statement in accordance with the Standard on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.

In our opinion and to the best of our information and according to the explanations given to us the Statement:

1. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
2. gives a true and fair view of the net profit and other financial information of the Company for the year ended 31st March 2018

The Statement includes the results for the half year ended 31st March 2018, being the balancing figure between audited figures in respect of full financial year and the published year to date figures of the first half of current financial year which were subject to limited review by us.

Date: 30th May, 2018
Place: Mumbai

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

Akash Balani
Partner
Membership No: 137827

HAVE TO INSERT FINANCIALS ONLY



KMS MEDISURGI LIMITED
CIN U51397MH1999PLC119118

Regd Office :Plot No-297/301 May Building, Gr. Floor Marine lines (EAST), Princess Street,
Mumbai City MH 400002 IN Ph-022-66107700/22,022-67498822, Facsimile: +91-22-
22061111,Website: -www.kmsgroup.in, E-mail Id:- info@kmsgroup.in

20th Annual General Meeting

Proxy Form

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

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

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

Name:	E-mail Id:
Address:	
Signature:	

Or failing him/her

Name:	E-mail Id:
Address:	
Signature:	

Or failing him/her

Name:	E-mail Id:
Address:	
Signature:	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual
General Meeting of the company, to be held on **Saturday, 29th September, 2018 at 11:30 a.m.** at
**297/301, May Building, Ground Floor, Princess Street, Marine lines- (EAST), Mumbai-
400002, Maharashtra, India** and at any adjournment thereof in respect of such resolutions as are
indicated below:

Sr. No.	Resolution	Vote	
		For	Against
1.	Adoption of Balance sheet as at 31 st March, 2018 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon (Ordinary Resolution)		
2.	Declaration of Dividend for the year ended 31 st March 2018		
3.	Appointment of Gaurang Prataprai Kanakia as a Director liable to retire by rotation. (Ordinary Resolution)		
4.	Appointment of Statutory Auditors		

Signed this ___day of _____ 2016

Signature of Member

Signature of Proxy holder(s)

Affix revenue Stamp of not less than Rs. 1

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A proxy need not be a member of the Company.
3. For, the resolutions statement setting out material facts concerning items of special business, please refer the Notice Convening 19th Annual General Meeting.



KMS MEDISURGI LIMITED

CIN U51397MH1999PLC119118

Regd Office : 297/301, May Building, Ground Floor, Princess Street, Marine Lines- (East),
Mumbai- 400002, Maharashtra, India, Ph-022-66107700/22,022-67498822, Facsimile:
+91-22-22061111, Website: -www.kmsgroup.in, E-mail Id:- info@kmsgroup.in

20th Annual General Meeting

ATTENDANCE SLIP

(To be presented at the entrance)

20th Annual General Meeting on Saturday, 29th September, 2018

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

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

Name of the Member: _____ Signature: _____

Name of the Proxy holder: _____ Signature: _____

I/We hereby record my/our presence at the **20th Annual General Meeting** of the Company being held on **Saturday , 29th September, 2018 at 11:30 am** at 297/301 May Building, Ground Floor, Princess Street, Marine Lines- (East), Mumbai- 400002, Maharashtra, India.

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

Rote Map for AGM venue

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

