



# KMS MEDISURGI LIMITED

CIN U51397MH1999PLC119118

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](http://www.kmsgroup.in), E-mail Id:- [info@kmsgroup.in](mailto:info@kmsgroup.in)

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May 30, 2019

To,

<p><b>Department of Corporate Relationship</b> <b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001.</p>
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**Sub:** Audited Financial Results for the half year and year ended March 31, 2019

**Ref.:** Script Code 540468

Dear Sir,

Pursuant to Regulation 33 and Regulation 30 read with Para A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that the Board of Directors of the Company at its meeting held on Thursday, May 30, 2019 has inter alia:

1. Approved the Audited Financial Results for the half year and year ended March 31, 2019 along with Auditors' Report
2. The Board has recommended final dividend of Re. 0.05 per equity share (0.5%) of face value of Rs. 10/- each fully paid up aggregating to Rs. 1,65,000/-.

Accordingly, please find enclosed herewith:

- (i) Statement showing the Audited Financial Results for the half year and year ended March 31, 2019; and
- (ii) Auditor's Report on the Audited Financial Results.

The meeting of Board of Directors of the Company commenced at 04.00 p.m. and concluded at 09.00 p.m.

Kindly acknowledge the receipt and take the above on your records.

Yours Faithfully,

**For KMS Medisurgi Limited**

**Anand Prataprai Kanakia**  
CFO

Encl: A/a

**KMS MEDISURGI LIMITED**

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

Tel No.:- (022) 66107700 E-mail: info@kmsgroup.in

CIN: L51397MH1999PLC119118, Website: www.kmsgroup.in

Statement Standalone financial result for the Year Ended 31st March, 2019

(Rs. In Lakhs)

	Particulars	Half year ended on		Year ended 31st March	
		31/03/2019	30/09/2018	2019	2018
		(Audited)	(Unaudited)	(Audited)	(Audited)
1	Income from operations				
	a. Net Sales/Income from Operations	524.51	461.500	986.008	732.359
	b. Other Operating Income	-	-	-	-
	Total income from operations (net)	524.51	461.50	986.008	732.359
2	Expenditure				
	a. Cost of materials consumed & Director Ex	403.63	337.90	741.53	531.21
	b. Purchases of stock-in-trade	63.97	16.20	80.17	49.58
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(44.56)	25.10	(19.46)	(25.08)
	d. Employee Cost	58.55	23.90	82.45	52.95
	e. Depreciation	24.39	18.30	42.69	45.19
	f. Other expenditure	42.42	28.20	70.62	76.61
	Total expenses	548.40	449.60	998.00	730.46
3	Profit from Operations before Other Income, Interest and Exceptional Items (1-2)	(23.89)	11.90	(11.99)	1.90
4	Other Income	39.30	2.80	42.10	35.32
5	Profit before Interest and Exceptional Items (3+4)	15.40	14.70	30.10	37.22
6	Finance costs	5.90	3.20	9.10	19.14
7	Profit after Interest but before Exceptional Items (5-6)	9.50	11.50	21.00	18.07
8	Exceptional Items	-	-	-	-
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	9.50	11.50	21.00	18.07
10	Tax expense	8.37	-	8.37	8.50
11	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)	1.13	11.50	12.63	9.57
12	Extraordinary Item	-	-	-	-
13	Net Profit(+)/ Loss(-) for the period (11-12)	1.13	11.50	12.63	9.57
14	Share of profit / (loss) of associates *	-	-	-	-
15	Minority interest *	-	-	-	-

16	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15) *	-		-	-
17	Paid-up equity share capital (Face Value of Rs. 10 Each)	330	330	330	330
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	295	295	295	285
19	Earnings Per Share (EPS)				
	a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	0.03	0.26	0.37	0.29
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	0.03	0.26	0.37	0.29
* Applicable in the case of consolidated results.					

Note:

- 1) The above results, reviewed and recommended by the Audit Committee were approved and taken on record by
- 2) Segment reporting as defined in Accounting Standards is not applicable, as the business of the company falls in
- 3) Corresponding figures of the previous period/year have been regrouped/restated, wherever necessary.
- 4) The Company is listed on SME platform of BSE and the provision of IND AS as per rule 4 of the Companies
- 5) The above figures have been regrouped or rearranged where ever considered necessary.

Place : Mumbai  
Date : 30-05-2019

For and on behalf of Board of Directors of  
KMS MEDISURGI LIMITED

KMS MEDISURGI LIMITED



DIRECTOR

Director



# KALPESH JAIN AND ASSOCIATES

CHARTERED ACCOUNTANTS

204, Shamaldas Gandhi Marg., Room No. 5d, Prabhat Co-op. Soc. Ltd.,  
Princess Street, Next to Geeta Bhavan Hotel, Mumbai - 400 002.  
Tel. No. 022 22090367, + 91 9820559914 | Email Id :-kjainassociates@gmail.com

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**KMS MEDISURGI LIMITED**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

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

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

### BASIS OF OPINION

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



## KEY AUDIT MATTERS

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

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

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

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

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

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

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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





the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **AUDITOR'S RESPONSIBILITY**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we refer to our separate Report in Annexure B and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



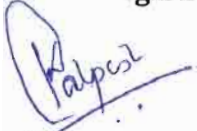


- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Kalpesh Jain & Associates**

**Chartered Accountants**

**Firm Registration No.: 132603W**



**Kalpesh M. Jain**

**Partner**

**Membership No. : 140164**



Place : Mumbai

Date : 30<sup>th</sup> May 2019

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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



- vii a The Company is generally regular in depositing the undisputed statutory dues including Provident Fund, , Employee's State Insurance, Income tax, Sales-tax, Service Tax, duty of Custom, duty of Excise, value added tax , Cess and any other statutory dues to appropriate authorities.
- vii b According to the information and explanations given to us, there were no dues in respect of income tax or sales tax or duty of custom or duty of excise or value added tax which have not been deposited on account of any dispute
- viii According to information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to the financial institution or banks or government as at Balance Sheet date.
- ix The Company has raised money by way of initial public offer, further public offer (including debt instruments). The company has not taken any term loans.
- x According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.
- xi The Company has not paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- xii In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly paragraph 3 (xii) of the Order is not applicable.
- xiii According to the information and explanation given to us, all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act, where applicable. The details of related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.



- xvi The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

**For Kalpesh Jain & Associates**

**Chartered Accountants**

**Firm Registration No.: 132603W**



**Kalpesh M. Jain**

**Partner**

**Membership No. : 140164**



Place : Mumbai

Date : 30<sup>th</sup> May 2019

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

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

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

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

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

#### **AUDITORS' RESPONSIBILITY**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures





selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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



## OPINION

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

**For Kalpesh Jain & Associates**

**Chartered Accountants**

**Firm Registration No.: 132603W**



**Kalpesh M. Jain**  
**Partner**

**Membership No. : 140164**



**Place : Mumbai**

**Date : 30<sup>th</sup> May 2019**



# KALPESH JAIN AND ASSOCIATES

CHARTERED ACCOUNTANTS

204, Shamaldas Gandhi Marg., Room No. 5d, Prabhat Co-op. Soc. Ltd.,  
Princess Street, Next to Geeta Bhavan Hotel, Mumbai – 400 002.

Tel. No. 022 22090367, + 91 9820559914 | Email Id :-kjainassociates@gmail.com

## 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 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March 2019. 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.




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

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) gives a true and fair view of the net profit and other financial information of the Company for the year ended 31<sup>st</sup> March 2019

The Statement includes the results for the half year ended 31<sup>st</sup> March 2019 , 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.

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



**Kalpesh M. Jain**  
**Partner**  
**Membership No. : 140164**



Place : Mumbai  
Date : 30<sup>th</sup> May 2019

**BALANCE SHEET AS AT 31st MARCH 2019**

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

Notes forming part of Financial Statements 1 -39  
The accompanying notes are integral part of financial statements.

As per our Report of even dated

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

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



For and on Behalf of Board of Directors

For KMS MEDISURGI LIMITED

For KMS MEDISURGI LIMITED

  
DIRECTOR

  
DIRECTOR

Mumbai, 30th May 2019

For KMS MEDISURGI LIMITED

FOR KMS MEDISURGI LIMITED



  
COMPANY SECRETARY



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

	Notes	Mar-19	Mar-18
<b>CONTINUING OPERATIONS</b>			
<b>INCOME :</b>			
Revenue from Operation	17	98,569,731	73,235,947
Other Income	18	4,209,647	3,532,236
Total Revenue		<u>102,779,378</u>	<u>76,768,183</u>
<b>EXPENSES :</b>			
Cost of Material Consumed	19	74,152,989	53,121,149
Purchase Of Stock In Trade	20	8,017,350	4,958,188
Change in Inventories of Stock in Trade	21	(1,946,400)	(2,507,600)
Employee Benefit Expenses	22	8,244,914	5,294,555
Finance Cost	23	910,087	1,914,336
Other Expenses	24	7,062,289	7,661,243
Depreciation & amortisation expenses	9	4,268,902	4,518,823
		<u>100,710,131</u>	<u>74,960,694</u>
Profit before Extraordinary Exp.		2,069,247	1,807,489
Extraordinary Expenses		-	-
Profit before Tax		<u>2,069,247</u>	<u>1,807,489</u>
Provision for Tax		837,000	850,000
		<u>1,232,247</u>	<u>957,489</u>
Less: Prior years tax adjustments		-	-
Profit for the year		<u>1,232,247</u>	<u>957,489</u>
Basic and diluted earning per share (in `)		0.37	0.29
Significant Accounting Policies	2		
Other Notes	25 to 39		

The accompanying notes are integral part of financial statements.

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

**Kalpesh Jain**  
 Partner  
 Membership No : 140164

Mumbai, 30th May 2019



For and on Behalf of Board of Directors

For KMS MEDISURGI LIMITED  
*Ketta*  
 DIRECTOR

For KMS MEDISURGI LIMITED  
*Sekandev*  
 DIRECTOR

Mumbai, 30th May 2019

For KMS MEDISURGI LIMITED  
*Anand K. Khandekar*  
 CFO

For KMS MEDISURGI LIMITED  
*Shal*  
 COMPANY SECRETARY

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

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

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

Particulars	As at 31st March 2019		As at 31 March 2018	
	Number		Number	
Equity Shares at the beginning of the year	3,300,000	33,00,000	2,400,000	24,00,000
Add : Issued during the year	-	-	900,000	9,00,000
Add : Bonus Shares Issued during the year	-	-	-	-
Equity Shares at the end of the year	3,300,000	33,00,000	3,300,000	33,00,000

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

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

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

**3 RESERVES AND SURPLUS**

**Securities Premium Account**

Opening Balance	18,806,452	2,000,000
Additions during the year	-	18,000,000
Less : Amount Utilised for bonus shares	-	-
Less : IPO Expenses adjusted against Share Premium	-	1,193,548
	18,806,452	18,806,452

**Statement of Profit & Loss**

Opening Balance	9,707,304	9,237,264
Add: Profit/(Loss) for the year	1,232,247	957,489
	10,939,551	10,194,753
Less :		
Dividend distributed to equity shareholders	165,000	405,000
Tax on Dividend	33,590	82,449
	10,740,961	9,707,304
	29,547,413	28,513,756

**4 LONG TERM BORROWING**

**SECURED LOANS**

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



**UNSECURED LOANS**

From Shareholders	8,335,354	7,835,354
From Others	919,927	223,000

Total (A) + (B)

Total (B)	9,255,281	8,058,354
	11,276,399	8,058,354

**5 SHORT TERM BORROWING****SECURED LOANS**

Working Capital Loan from Banks	-	10,993,173
	-	10,993,173

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

**6 TRADE PAYABLES**

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

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

**7 OTHER CURRENT LIABILITIES**

Other Payables	754,479	443,372
	754,479	443,372

**8 SHORT TERM PROVISIONS**

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

**10 NON CURRENT INVESTMENTS**

Trade - Unquoted		
National Saving Certificates (Deposited with Govt Authorities)	16,012	16,012

**11 LONG TERM LOANS & ADVANCES**

Advance towards Factory Premises	-	-
	-	-

**12 INVENTORIES**

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



**13 TRADE RECEIVABLES**

(Unsecured, Considered Good)

Due for more than six months from the due date of payment

Other trade receivables

1,422,365	7,466,171
49,085,326	39,360,354
<u>50,507,691</u>	<u>46,826,525</u>

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

**14 CASH AND CASH EQUIVALENTS**

Cash on Hand

Balance with Scheduled Banks in:

Current Accounts

Deposit Accounts (Pledged with banks)

Margin Money Accounts

442,802	456,021
698,011	263,459
8,658,589	14,363,104
1,953,479	344,589
<u>11,752,881</u>	<u>15,427,173</u>

**15 SHORT TERM LOANS AND ADVANCES**

(Unsecured, considered good)

Other Short Term Advances

Advance payment of taxes (net)

Security &amp; Other Deposits

1,509,047	2,721,921
342,455	315,251
1,043,921	1,263,241
<u>2,895,423</u>	<u>4,300,413</u>

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

**16 OTHER CURRENT ASSETS**

Prepaid Expenses

64,372	-
<u>64,372</u>	<u>-</u>

**17 REVENUE FROM OPERATIONS**

Sale of Products

Traded Goods

Raw Material

Income from Job work contract

91,287,846	62,587,650
7,281,885	6,326,415
-	4,321,882
<u>98,569,731</u>	<u>73,235,947</u>

**18 OTHER INCOME**

Interest

Others

Car Hire Charges

Net Gain on Foreign Currency transaction and translations

Sundry Balance written back

741,771	1,226,266
8,789	12,000
-	902,821
427,020	1,391,149
3,032,067	-
<u>4,209,647</u>	<u>3,532,236</u>



## 19 COST OF MATERIAL CONSUMED

Opening Stock	10,480,803	970,666
Add : Purchases	77,317,988	62,631,286
	87,798,791	63,601,952
Less: Closing Stock	13,645,802	10,480,803
	<u>74,152,989</u>	<u>53,121,149</u>

## 20 PURCHASE OF STOCK IN TRADE

Purchase of Traded Goods	8,017,350	4,958,188
	<u>8,017,350</u>	<u>4,958,188</u>

## 21 CHANGE IN INVENTORIES OF STOCK IN TRADE

Opening Stock	2,507,600	-
Closing Stock	4,454,000	2,507,600
(Increase)/Decrease	<u>(1,946,400)</u>	<u>(2,507,600)</u>

## 22 EMPLOYEE BENEFIT EXPENSES

Salaries, Allowances & Bonus	7,091,750	4,812,675
Contribution to Gratuity Fund	1,054,852	285,184
Staff Welfare Expenses	98,312	196,696
	<u>8,244,914</u>	<u>5,294,555</u>

## 23 FINANCE COST

Interest On Bank Borrowings	122,198	1,467,624
Bank Charges	787,889	446,712
	<u>910,087</u>	<u>1,914,336</u>

## 24 OTHER EXPENSES

BSE Listing Fees	25,000	-
Custom Duty Paid	-	2,043,701
Freight Charges	511,601	289,436
Delivery ,Handling & Transportation Charges	895,512	665,268
Job work Charges	24,290	246,272
Printing & Stationery.	102,711	99,838
Legal & Professional Charges.	415,000	330,362
Postage & Telephones.	183,824	208,236
Electricity & Fuel Charges	1,218,850	832,090
Insurance Charges	86,812	58,547
Repairs and Maintenance Charges	740,175	-
Rent & Taxes	48,000	-
Warehousing charges	364,494	-
Software & Website Charges	92,957	-
Sales Promotion Expenses	40,000	-
Commission Paid	-	140,019
Audit Fees	25,000	29,500
Travelling and Conveyance	282,741	405,918
Tender, Registration & Licence Fees	119,302	41,151
Miscellaneous expenses	1,886,020	2,270,905
	<u>7,062,289</u>	<u>7,661,243</u>

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





**26 DEFERRED TAX**

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

The break-up of deferred tax assets / liability		31st March 2019	31st March 2018
<b>A Deferred Tax Assets</b>			
Difference between tax and Book written down value		3,024,329	2,564,451
		<u>3,024,329</u>	<u>2,564,451</u>
<b>B Deferred Tax Liability</b>			
Deferred Revenue Expenses		-	-
		<u>-</u>	<u>-</u>
<b>C Net Deferred Tax Assets</b>		3,024,329	2,564,451
<b>D Deferred Tax Assets / (Liability)</b>		934,518	792,415

**27 EARNINGS PER SHARE :**

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

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

Gaurang Kanakia - Director

Siddarth Kanakia-Director

Rekha Kanakia - Director

Anand Kanakia-Relative of the director

Amrita Kanakia - Relative of the director

KMS Manufacturing- Proprietary  
firm of a directorKMS Tours & Travel-Proprietary  
firm of a director**ii) Enterprise having a Common Management Personnel**

Dermacare Surgicals Pvt Ltd

KMS Manufacturing Ltd



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

B Details of Transaction with Related Parties

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

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

31 **SALES**

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

Notes :

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

32 **RAW MATERIALS CONSUMED**

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



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

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

### 34 PURCHASES

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

Notes :

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

### 35 CLOSING FINISHED GOODS STOCK

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

Notes :

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

### 36 VALUE OF IMPORTS ON CIF BASIS

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

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

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

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

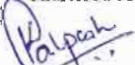
**The accompanying notes are integral part of financial statements.**

As per report of even date attached

**For Kalpesh Jain & Associates**

Firm Registration No : 132603W

Chartered Accountant

  
**Kalpesh Jain**

Partner

Membership No :140164

Mumbai, 30th May 2019

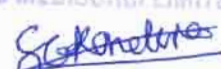
For and on Behalf of Board of Directors

**For KMS MEDISURGI LIMITED**



**DIRECTOR**

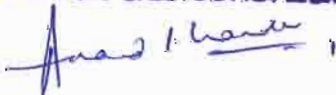
**For KMS MEDISURGI LIMITED**



**DIRECTOR**

Mumbai, 30th May 2019

**For KMS MEDISURGI LIMITED**



**CFO**

**FOR KMS MEDISURGI LIMITED**



**COMPANY SECRETARY**

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

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

**Notes :**

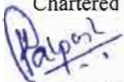
1 The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 (AS3) 'Cash Flow



Statement' issued by the Institute of Chartered Accountant of India.

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

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



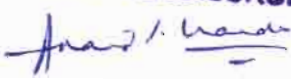
**Kalpesh Jain**  
Partner  
Membership No :140164

Mumbai, 30th May 2019

For and on Behalf of Board of Directors

  
For KMS MEDISURGI LIMITED  
For KMS MEDISURGI LIMITED  
DIRECTOR

Mumbai, 30th May 2019

  
For KMS MEDISURGI LIMITED  
CFO  
FOR KMS MEDISURGI LIMITED  
COMPANY SECRETARY



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

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



## **KMS MEDISURGI PVT LTD**

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

#### **1 SIGNIFICANT ACCOUNTING POLICIES :**

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

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

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

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

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

1.12 **Employees Benefits : Defined Benefit Plan**

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

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

Mumbai, 30th May 2019

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