



**The Kids Clinic**  
All Pediatric Services

Date: 13.02.2020

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

SCRIP CODE: 540812

**Sub:** Annual Report for the Financial Year ended 2019

Dear Sir/Madam,

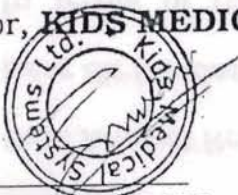
In terms of regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, we enclose herewith the Copy of Annual Report of the Company for the Year 2018-19

We request you to take the submission on record.

Thanking you,

Yours faithfully,

For, **KIDS MEDICAL SYSTEMS LIMITED**



**ANIRVAN DAM**  
**MANAGING DIRECTOR**  
**(DIN: 03031807)**

Head Office:

Kids Medical Systems Ltd.

F - 806, Titanium City Centre, Nr. Sachin Tower,  
Anandnagar Road, Satellite, Ahmedabad - 380015

CIN: L85110GJ2013PLC075191  
GST No: 24AAFCK1673F1ZQ

Contact: 079 - 4898 9930

Website: [www.thekidsclinic.in](http://www.thekidsclinic.in)



**ANNUAL REPORT  
2018-19**

## **COROPRATE INFORMATION:**

### **BOARD OF DIRECTORS:**

ANIRVAN AMITAVA DAM	– Managing Director
PALLAVI ANIRVAN DAM	– Non-Executive Director
NISHCHAL VINAYKANT BHATT	- Independent Director
NIHAR PANKAJ PAREKH	- Independent Director

### **CHIEF FINANCIAL OFFICER:**

PALLAVI ANIRVAN DAM

– Chief Financial Officer

### **AUDITORS:**

M A A K & ASSOCIATES,  
Chartered Accountants  
5, 1<sup>st</sup> Floor, Devashish  
Complex, Nr. Bavarchi  
Rest., Off C G Road,  
Ahmedabad-380006

### **AUDIT COMMITTEE :**

Mrs. Pallavi Anirvan Dam- Chairman and Member  
Mr. Nishchal Bhatt Vinaykant – Member  
Mr. Nihar Pankaj Parekh – Member

### **SECRETARIAL AUDITOR:**

ALPESH DHANDHLYA &  
ASSOCIATES  
Secretarial Auditor  
401, Haash Complex, Nagri  
Hospital-Law Garden  
Road, Nr. Ellise Bridge  
Police Line, Ahmedabad-  
380006, Gujarat, India

### **BANKER OF THE COMPANY:**

HDFC Bank, Ahmedabad

### **NOMINATION AND REMUNERATION COMMITTEE:**

Mr. Nishchal Bhatt Vinaykant - Chairman and Member  
Mr. Nihar Pankaj Parekh – Member  
Mr. Anirvan Amitava Dam - Member

### **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Mr. Nishchal Bhatt Vinaykant - Chairman and Member  
Mr. Nihar Pankaj Parekh – Member  
Mr. Anirvan Amitava Dam - Member

### **REGISTERED OFFICE:**

F-806, Titanium City  
Center, Near Sachin Tower,  
Anand  
Nagar Road, Satellite,  
Ahmedabad Gujarat  
380015, India

### **REGISTRAR & SHARE TRANSFER AGENT:**

Purva Sharegistry India Pvt.  
Ltd.  
Unit No. 9, Ground Floor,  
Shiv Shakti Ind. Estt, J. R.  
Boricha Marg, Lower Parel  
East, Mumbai,  
Maharashtra 400011

### **LISTED ON:**

BSE SME Platform

### **INDEX**

<b>CONTENT</b>	<b>PAGE NO. :</b>
Letter to shareholders.....	03
Notice .....	05
Directors Report .....	13
Management Discussion & Analysis .....	39
Nomination & Remuneration Policy .....	42
Secretarial Auditors Report .....	49
Auditors Report and Financial Statement .....	53

Dear Members,

You all might be questioning that why the 6<sup>th</sup> AGM of the Company has not been called yet by your Company, here we would like to share reason why the said AGM could not be called.

This was the second year of your Company getting listed on the BSE SME exchange, however, during the previous year i.e. 2017-18 the Company had faced many difficulties, here we would like to share journey. The auditors M/s. Doshi Maru and Associates, Jamnagar: FRN No: 0112187W ('CA' or 'CA firm' or 'Audit firm' for short) has approached us for SME IPO of the Company. The Audit firm had good relation with M/s. Corporate Strategic Allianz Pvt. Ltd. and its Managing Director (MD) Mr. Devendra Shah & it other director Mayur Parikh. However, as informed by Mr. Devendra Shah that M/s. Corporate Strategic Allianz Pvt Ltd (CSAPL) where he working as Managing Director told us that Gretex Corporate Services pvt ltd is their company, based at Mumbai and would be a better option. Also that it was their company only and that all the work relating to the draft red herring prospectus would be carried out by M/s. Corporate Strategic Allianz Pvt Ltd (for short "CSAPL") only on behalf of M/s. Gretex Corporate Services Pvt. Ltd. and this way the SME IPO was completed.

Post SME IPO, Mr. Devendra Shah had obtained the access to the banking account of the Company and transferred IPO fund to his near and dear entities by that, committed serious fraud as per the list provided in the 'Details of Loan' in point no. 7 of the Director Report for the previous Financial Year 2017-18 Mr. Devendra Shah transferred this fund without the knowledge of the Board of the Company or without any kind of authorisation and therefore a Complaint against Mr. Devendra Shah and others have been lodged with Economic Offence Wing (EOW), Joint Commissioner of Police, Mumbai vide complaint no. PE17/2019 and after detailed examination, the EOW had also the accepted the complaint and actions are under process.

Further, when this fraud came to light with the Company, the company had asked the Auditor to show the details of the fraud (as qualification in Auditors Report) and also mark qualified Auditors Reports for the year ended 31/03/2018 with all these details of fraud done by Mr.Devendra Shah, however, the Audit firm without giving any information in the Auditor Report about the fraud, abruptly resigned as the Auditors by simply sending two linear email without citing any reason and without timely filing Form ADT 3 (Notice of Resignation by Auditor) pursuant to section 140(2) of the Companies Act, 2013 and rule 8 of the Companies (Audit and Auditors) Rules,2014 with Registrar of Companies-Gujarat.

The Board has filed Financial Result with the BSE for the Financial Year ended 31/03/2018 stating that it was referred in the Board meeting dated 30/05/2018, however, in fact, the Board has not approved the Financial result and also not considered Auditors Report as it was issued hiding the material fact of happening of the fraud. The Board has only

filed the same with the BSE to avoid increasing the penalty levied per day under LODR Regulations. Further, the Audit firm has sent the Auditors Report before the consideration and approval of the Financial Statement by Board. The auditor has issued report dated 30/05/2018. However, the Board have to consider and approve the Financial Statement as on 12/02/2019 and that too, to avoid the penalties and increasing heavier additional fees under the various provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and various other laws for the time being in force for the Financial Year ended 31/03/2019. The Directors have to sign these financial statement of previous Financial Year 2017-18 & does not meant that the Auditors Report has been accepted but it is with reservation that the Auditor has not disclosed the details of the serious fraud happened with the Bank Account of the Company.

The complaint against Audit firm of the Company has also been filed with the ICAI – New Delhi and the Company is also under process to file the complaint in National Financial Reporting Authority against the defaulting audit firm.

Therefore, there was a delay in calling the 6<sup>th</sup> Annual General Meeting of the Company; however, we are thankful for your good co-operation.

By Order of the Board,  
**M/S. KIDS MEDICAL SYSTEMS  
LIMITED**

**ANIRVAN DAM**  
**MANAGING DIRECTOR**  
**DIN: 03031807**

## NOTICE

Notice is hereby given that the **6<sup>th</sup> Annual General Meeting** of **Kids Medical Systems Limited** (CIN: L85110GJ2013PLC075191) will be held on **Friday, 6<sup>th</sup> March, 2020** on **2:00 P.M.** at the registered office of the Company at **F-806, Titanium City Center, Near Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad, Gujarat-380015, India** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:

The Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon;

2. To appoint a Director in place of Mrs. Pallavi Anirvan Dam (DIN: 03514501) who retires by rotation and being eligible, offers herself for re-appointment.

3. Appointment of Auditors:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), **M/S. M A A K & ASSOCIATES** Chartered Accountants (FRN No.:135024W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of 6<sup>th</sup> Annual General Meeting (“AGM”) till the conclusion of the 10<sup>th</sup> AGM of the Company to be held in the year 2023, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### Registered Office:

F-806, Titanium City Center, Near  
Sachin Tower, Anand Nagar Road,  
Satellite, Ahmedabad, Gujarat-  
380015, India.

By Order of the Board,  
**M/S. KIDS MEDICAL  
SYSTEMS LIMITED**

**Date:** 12/02/2020

**Place:** Ahmedabad

**ANIRVAN DAM  
MANAGING DIRECTOR  
DIN: 03031807**



## NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies/ bodies corporate etc., must be supported by an appropriate resolution/authority, as applicable.
2. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) 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 proxy for any other person or shareholder.
3. Relevant details as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements), 2015 and Secretarial Standard on General Meeting (“SS 2”) issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment or re-appointment as Director under Item No. 2 is furnished in Annexure I to the notice.
4. The route map and prominent landmark of the venue of the Annual General Meeting as required under Clause 1.2.4 of the Secretarial Standards on the General Meeting is annexed herewith as Annexure II to the Notice.
5. In terms of SEBI Gazette Notification dated June 08, 2018, shares in physical form will not be transferred after March 31, 2019. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form at the earliest. Members can contact M/S. Purva Shareregistry (India) Private Limited for assistance in this regard.
6. Electronic copy of the Annual Report being sent to all the members whose email address are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report being sent in the permitted mode.
7. Electronic copy of the Notice of the 06<sup>th</sup> Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email address are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 06<sup>th</sup> Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.

8. The record date for the purpose of determining the eligibility of the Members to attend the 06<sup>th</sup> Annual General Meeting of the Company is Friday, 7<sup>th</sup> February, 2020.
9. A person who is not a member as on the record date should treat this Notice for information purpose only.
10. The voting rights of members, in case poll is demanded, shall be in proportion to their shares of the paid up equity share capital of the Company as on the record date of Friday, 7<sup>th</sup> February, 2020.
11. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the record date i.e. Friday, 7<sup>th</sup> February, 2020, can also attend the meeting.
12. The Transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 125 of the Companies Act, 2013, during the current Financial Year is not applicable.
13. In pursuance of the provisions of Section 108 of the Act and the Rules framed there under, as amended from time to time, the Company is exempted from giving the Members the facility to cast their vote electronically, through the remote e-voting services on the resolutions set forth in this Notice. However, voting through permitted mode under the Companies Act, 2013 will be allowed at the venue of Annual General Meeting.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
15. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
16. Copies of all documents referred to in the Notice are available for inspection at the registered office of the Company during normal business hours on all working days upto and including the date of the meeting of the Company.
17. Pursuant to Section 101 of the Companies Act, 2013 and Rules made thereunder, the companies are allowed to send communication to the Members electronically. We, thus, request you to kindly register/update your email ids with your respective depository participant and Company's Registrar and Share Transfer Agent (in case of physical shares) and make this initiative a success.
18. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested under section 189 of the Companies Act, 2013, will be available for inspection at the meeting.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are,



therefore, requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's registrars and transfer agents, M/S. Purva Shareregistry (India) Private Limited to provide better and efficient services. Members holding shares in physical form can submit their PAN details to the Company.

20. The Members may note that due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the aforesaid venue of the meeting.
21. Register of Members and Share Transfer Book shall remain closed from Tuesday, 25/02/2020 to Friday, 06/03/2020, both days inclusive.
22. Members desiring any information pursuant to an item on the Agenda are requested to write sufficiently early so as to reach the Company at least 7 days prior to the meeting, to enable the Management to keep the information available at the meeting.
23. Members holding shares in dematerialised form are requested to bring their Client ID and DPID numbers and photo identity for easy identification of attendance at the meeting.
24. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrars and Transfer Agents, M/s. Purva Shareregistry (India) Private Limited, 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel(East), Mumbai, Maharashtra-400011, India.

Telephones: 22-23012518/6761

E-mail: [support@purvashare.com](mailto:support@purvashare.com)

25. Members are requested to (a) bring their attendance slip along with copy of the Annual Report for the meeting, (b) send to their depository participant, ECS bank mandate form, to ensure safe and prompt receipt of dividend, if any (this is to avoid fraudulent encashment of dividend warrants), (c) note that all correspondence relating to share transfers, transmission, change of address, duplicate share certificate and related matters may be addressed to the Registrar and Transfer Agents of the Company, viz. M/s. Purva Shareregistry (India) Private Limited, 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (East), Mumbai, Maharashtra-400011, India. Telephones: 22-23012518/6761 E-mail: [support@purvashare.com](mailto:support@purvashare.com), and (d) quote their DP ID No. /Client ID No. or folio number in all their correspondence.
26. Corporate Members intending to authorize its representatives to attend the AGM are requested to submit the Company at its Registered Office, a certified true copy of the Board Resolution or authorization document authorizing its representatives to attend and vote on their behalf at the AGM.

27. The Company has appointed M/s. Alpesh Dhandhlya & Associates, Practicing Company Secretaries, Ahmedabad (C.P. No.: 12119 & A.C.S. No.: 32500), to act as the Scrutinizer for conducting the voting at AGM.
28. The Scrutinizer shall after the conclusion of voting at AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast in the presence of at least two (2) witnesses not in the employment of the Company and shall make, not later than forty eight (48) hours of the conclusion of AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
29. The results declared along with the Scrutinizer's report, will be posted on the website of the Company ([www.thekidsclinic.in](http://www.thekidsclinic.in)) and will be displayed on the Notice Board of the Company at its Registered Office immediately after the declaration of the result by the Chairman or any other person authorised by him and communicated to the Stock Exchanges.
30. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting, i.e. Saturday, February 03, 2020.
31. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website: [www.thekidsclinic.in](http://www.thekidsclinic.in)
32. Members holding shares in physical form are requested to consider converting their holdings into dematerialized form to eliminate risks associated with physical shares and better management of the securities. Members can write to the Company's RTA in this regard.
33. The Members are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in demat mode and with the Registrar and RTA for physical shares
34. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. However, the Members are entitled to receive such communication in physical form, upon making a request for the same, by permitted mode at free of cost.
35. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.

36. Non-Resident Indian members are requested to inform RTA/respective DPs, immediately of:
- a. Change in their Residential Status on return to India for the purpose of permanent settlement, along with PAN details,
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank along with Pin Code number, if not provided earlier.

**Registered Office:**

F-806, Titanium City Center, Near  
Sachin Tower, Anand Nagar Road,  
Satellite, Ahmedabad, Gujarat-  
380015, India.

**Date:**12/02/2020

**Place:** Ahmedabad

By Order of the Board,  
**M/S. KIDS MEDICAL  
SYSTEMS LIMITED**

**ANIRVAN DAM**  
**MANAGING DIRECTOR**  
**DIN: 03031807**

## ANNEXURE I

### Details of the Directors seeking appointment/re-appointment at the 6<sup>th</sup> Annual General Meeting

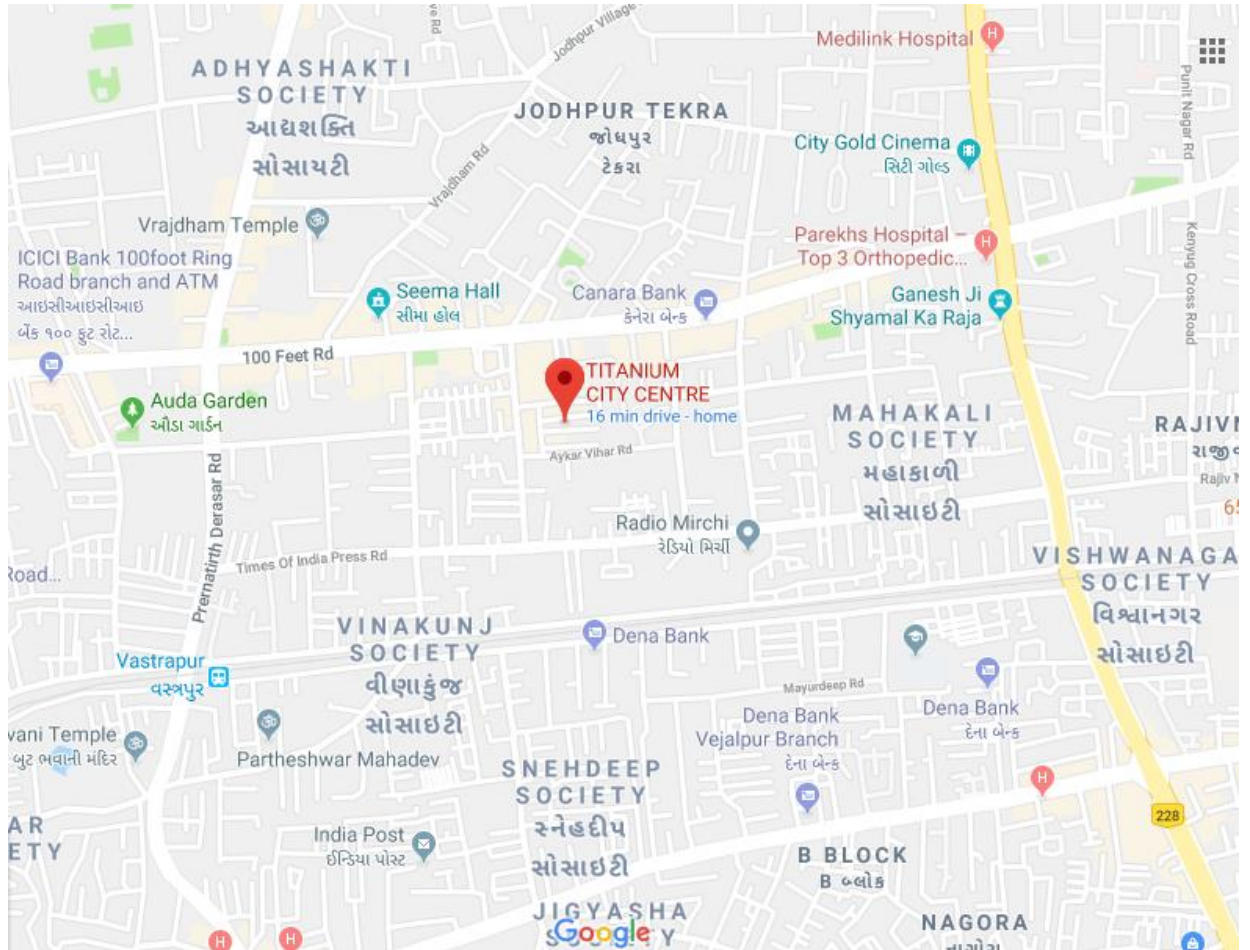
<b>Name of Director</b>	: Pallavi Anirvan Dam
<b>DIN</b>	: 03514501
<b>Date of Birth</b>	: 06/08/1980
<b>Date of First Appointment</b>	: 22/05/2013
<b>Education Qualification</b>	: B.com, M.B.A
<b>Expertise in Specific Functional Area and experience</b>	: Huge Experience in Medical Sector
<b>Directorship held in other Companies</b>	: 0 (Zero)
<b>Chairmanship/Membership of the committee of the Board of Directors of the Company</b>	: Chairman of Audit Committee
<b>Committee positions held in other Companies</b>	: 0 (Zero)
<b>No. Of Equity Shares held in the Company as on 31/03/2018</b>	: 11,88,017 (Eleven Lakhs Eighty Eight thousand Seventeen Only)
<b>Remuneration Last drawn by such person, if any</b>	: Nil
<b>No. of the Board meetings attended during the year</b>	: 08 Board Meetings
<b>Inter se Relationship</b>	: Spouse of Mr. Anirvan Amitava Dam – Managing Director of the Company.

## ANNEXURE II

### ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING:

**Venue of AGM:** F-806, Titanium City Center, Near Sachin Tower, Ahmedabad Gujarat 380015 India.

**Land Mark:** Anandnagar Road, Satellite



## BOARD'S REPORT

To  
The Members,  
Kids Medical Systems Limited

The Board of Directors have pleasure in presenting the Directors' Report and audited Financial Statements of the Company for the period ended on March 31, 2019.

### 1. FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Particulars	2018-19	2017-2018
Revenue from Operations	34.18	51.31
Other Income	1.08	03.88
Total Revenue	34.29	55.20
Expenditure	66.75	73.85
EBIDTA	(32.46)	(18.65)
Finance Cost	0.80	5.46
Depreciation & Amortisation	0.00	4.42
Total Expenditure	67.54	83.73
Exceptional Item	0.00	0.00
Profit Before Tax	(33.25)	(28.53)
Provision for Current Tax, Deferred Tax & Other Tax Expenses	0.00	0.00
Profit After Tax	(33.25)	(28.53)

### 2. REVIEW OF OPERATIONS AND THE STATE OF THE COMPANY'S AFFAIRS:

During the year under review, the total Income from operation has decreased to 34.18 Lakhs as compared to 51.31Lakhs inprevious year.

### 3. DIVIDEND:

Your Directors do not re-commend any dividend on its equity shares of the Company.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis for the year under review as stipulated under Annexure I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in this report as **Annexure-"B"**.

### 5. DEPOSITS:

During the year under review, Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and rules made thereunder.



## 6. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

### Details of Loans:

SL No	Date of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd.)	Rate of Interest	Security
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Details of Investments:-

SL No	Details of Investee	Amount (inRs.)	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR
Nil	Nil	Nil	Nil	Nil

### Details of Guarantee / Security Provided:

SL No	Date of providing security/guarantee	Details of recipient	Amount	Purpose for which the security/guarantee is proposed to be utilized by the recipient	Date of BR	Date of SR (if any)	Commission
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## 7. DETAILS OF FRAUD HAPPENED WITH THE COMPANY:

Same as like the previous year i.e. Financial Year 2017-18, we would like to inform our stakeholders that the auditors M/s. Doshi Maru and Associates, Jamanagar: FRN No: 0112187W ('CA' or 'CA firm' or 'Audit firm' for short) had approached us for SME IPO of the Company in the financial year 2017-18. The Audit firm had good relation with M/s. Corporate Strategic Allianz Pvt. Ltd. and its MD Mr. Devendra Shah. However, as informed by Mr. Devendra Shah that M/s. Corporate Strategic Allianz Pvt Ltd ('CSAPL' hereinafter) where is/was working as Managing Director jointly with Audit firm have asked us to choose M/s. Gretex Corporate Services Pvt. Ltd. as merchant banker who are based at Mumbai and are the part of the same company and also informed that all the works relating to the draft red herring prospectus (DRHP) etc. will be carried out by CSAPL only on behalf of M/s. Gretex Corporate Services Pvt. Ltd.

and this way the SME IPO was completed.

Post SME IPO, Mr. Devendra Shah had obtained the access to the banking account of the Company and transferred IPO fund to his near and dear entities by committing serious fraud as per the list provided in the 'Details of Loan' in point no. 7 of this Director Report for the Financial Year 2017-18. Mr. Devendra Shah transferred this fund without the knowledge of the Board of the Company or without any kind of authorisation and therefore a Complaint against with Mr. Devendra Shah and others have been lodged with Economic Offence Wing (EOW), Joint Commissioner of Police, Mumbai vide complaint no. PE17/2019 and after detailed examination, the EOW has also the accepted the complaint and actions are under process.

Further, when this fraud came to light with the Board of the Company then the Board had asked the Auditor to show the details of the fraud (as qualification in Auditors Report) and also mark qualified Auditors Reports for the year ended 31/03/2018 with all these details of fraud done by Mr. Devendra Shah, however, the Audit firm without giving any information in the Auditor Report about the fraud, abruptly resigned as Auditor by simply sending two line email without citing any reason and without timely filing Form ADT 3 (Notice of Resignation by Auditor) pursuant to section 140(2) of the Companies Act, 2013 and rule 8 of the Companies (Audit and Auditors) Rules, 2014 with Registrar of Companies-Gujarat.

The Board has filed Financial Result with the BSE for the Financial Year ended 31/03/2018 stating that it was referred in the Board meeting dated 30/05/2018, however, if fact, the Board has not approved the Financial result and also not considered Auditors Report as it was issued hiding the material fact of happening of the fraud. The Board has only filed the same with the BSE to avoid increasing the penalty levied per day under LODR Regulations. Further, the Audit firm has sent the Auditors Report before the consideration and approval of the Financial Statement by Board. The auditor has issued report dated 30/05/2018.

The complaint against Audit firm of the Company has also been filed with the ICAI – New Delhi and the Company is also under process to file the complaint in National Financial Reporting Authority against the defaulting audit firm.

#### **8. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affect the financial position of the Company except the details of the fraud happened with the Company as per point 8 of this Directors Report.

#### **9. COMPOSITION OF BOARD AND STATUTORY COMMITTEES:**

The Board of the Company comprises of 4 Directors out of which one are Managing Director, one is Non-Executive Director and rest of two Directors are Non-Executive Independent Directors. The maximum gap between any two board meetings is not more than 120 days.

Name	Attendance at Meetings		Number of other Directorship & Committee Membership / Chairmanship**			
	No. of Board Meetings		Last AGM	Other Director ship*	Committee Member ship	Committee Chairman ship
Whole-time Director/ Managing Director	Meetings held during Tenure	Meetings Attended				
Mr. Anirvan Dam (DIN: 03031807)	8	8	Yes	1	-	-
Mrs. Pallavi Dam (DIN: 03514501)	8	8	Yes	-	-	-
<b>Independent Director</b>						
Mr. Nihar Parekh (DIN: 01818931)	8	0	No	3	-	-
Mr. Nishchal Bhatt (DIN: 07867979)	8	8	Yes	-	-	-

\*Directorships and Committee member/Chairmanship in other companies mentioned above excludes directorships in private limited companies, unlimited companies, foreign companies and companies incorporated under section 8 of the Companies Act, 2013.

\*\*While calculating the number of Membership / Chairmanship in Committees of other companies, Membership / Chairmanship of only Audit Committee and Stakeholders Relationship Committee have been considered pursuant to Regulation 18 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Director is a member in more than ten committees and act as a Chairman in more than five committees across all companies in which he is a Director.

#### **Audit Committee:**

During the financial year 2018-19, Four (4) meetings of the Audit Committee were held on 30<sup>th</sup> May, 2018 and 19<sup>th</sup> September, 2018, 15<sup>th</sup> November, 2018 and 27<sup>th</sup> February, 2019. The details of the composition of the committee and attendance at its meeting are set out in the following table:

Sr. No.	Name	Designation	Meetings held during Tenure	Meetings Attended
1	Mrs. Pallavi Anirvan Dam	Chairman and Member	4	4
2	Mr. Nishchal Bhatt Vinaykant	Member	4	4
3	Mr. Nihar Pankaj Parekh	Member	4	0

#### **Nomination and Remuneration Committee:**

During the financial year 2018-19, Four (4) meetings of the Audit Committee were held on 30<sup>th</sup> May, 2018 and 19<sup>th</sup> September, 2018, 15<sup>th</sup> November, 2018 and 27<sup>th</sup> February, 2019. The details of the composition of the committee and attendance at its meeting are set out in the following table:

Sr. No.	Name	Designation	Meetings held during Tenure	Meetings Attended
1	Mr. Nishchal Bhatt Vinaykant	Chairman and Member	4	4
2	Mr. Nihar Pankaj Parekh	Member	4	0
3	Mr. Anirvan Amitava Dam	Member	4	4

#### **Stakeholders Relationship Committee:**

During the financial year Four (4) meetings of the Audit Committee were held on 30<sup>th</sup> May, 2018 and 19<sup>th</sup> September, 2018, 15<sup>th</sup> November, 2018 and 27<sup>th</sup> February, 2019. The details of the composition of the committee and attendance at its meeting are set out in the following table:

Sr. No.	Name	Designation	Meetings held during Tenure	Meetings Attended
1	Mr. Nishchal Bhatt Vinaykant	Chairman and Member	4	4
2	Mr. Nihar Pankaj Parekh	Member	4	0
3	Mr. Anirvan Amitava Dam	Member	4	4

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Details of appointment/re-appointment of the Director:

- Ekta Maheshkumar Mehta appointed as Company Secretary & Compliance Officer as on 18.06.2018 and resigned from the post of Company Secretary & Compliance Officer as on 30.01.2019 from the Company.

The particulars of Directors/employees and the remuneration paid to directors is given in the Directors' Report as required under section 197 (12) of the Companies Act, 2013.

#### **10. DECLARATION FROM INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from each Independent Director of the Company under section 149 (7) of the Companies Act, 2013 that the Independent Director of the Company meet with the criteria of their Independence laid down in Section 149 (6).

#### **11. AUDIT COMMITTEE AND ITS RECOMMENDATIONS:**

The Audit Committee has been constituted in accordance with the provisions of the Act and the Rules made thereunder and also in compliance with the provisions of Listing Regulations and more details on the Committee are provided in the Report on Corporate Governance. During the financial year under review, all the recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

## 12. AUDITORS AND AUDIT REPORTS:

### Statutory Auditors:

The Company's statutory auditors M/s. DoshiMaru& Associates (FRN: 0112187W) Chartered Accountants, were appointed in 4<sup>th</sup>AGM held on 30/09/2017, however, the said Audit firm has abruptly resigned as Auditor dated 18/08/2018 and therefore the Company has also filled the casual vacancy occurred under section 139 (8) of the Companies Act, 2013 by appointing M/s. M A A K & ASSOCIATES, Chartered Accountants (FRN No.:135024W), as Auditor of the Company by EGM dated 04/01/2019 for the Financial Year 2018-19. The Board has also proposed M/s. M A A K & ASSOCIATES, Chartered Accountants (FRN No.:135024W), for appointment from the conclusion of 6<sup>th</sup> AGM to the conclusion of the 11<sup>th</sup> AGM to held in Financial year 2024.

Moreover, as per the provisions of section 141 of the Companies Act, 2013, the Company has received a certificate from the auditors to the effect that if they are appointed.

### Auditors' Report:

The notes of the financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors' Report for the Financial Year 2018-19 does not contain any qualification, reservation or adverse remarks expect as given as under.

Sr. No.	Reservation/Remark/Qualification	Reply by Management
1	<i>We have reviewed figures of only F.Y. 2018-19, the previous year's have been taken as opening balances from the financial statements audited by M/s Doshi Maru &amp; Associates. (The matter is under dispute as per POINT-4)</i>	No reply is needed as it is self-explanatory.
2	We have relied on the management representation for the existence and valuation of Fixed Asset. As regards opening balance of capital work in progress of Rs 5,53,17,906 which has been considered as not available for use not has been netted off against the security premium. Had	The capital work in progress has been write off by the Company.

	the same been routed through Profit and loss account then the current year loss would have been increased by that amount.	
3	We have not been provided with the balance confirmation or any other details for the trade receivable, trade payable, Loans and advances receivable/Payable shown in the books of accounts. In absence of the same we are unable to confirm the balance and nature of the transactions.	As there has been fraud in the Company and therefore, the Company is not able to provide the balance confirmation.
5	We have not been provided with the challan / acknowledgements/ returns for the payment of the TDS/GST / PF/ ESIC or any other statutory payments made by the company.	As there has been fraud in the Company and therefore, the Company is not able to provide the same.
6	The Company has no fixed assets register. The existence of the fixed asset has only been confirmed by the management.	The Company is in the process of preparing the fixed assets Register.
7	We would like to draw attention to the fact that, balance confirmation from the parties from whom amounts are due for more than one year were not available and in absence of the same we are not in position to comment on the deviation in the balances or execution of the transactions. The absence of the said balance confirmation would also affect the expected credit loss of the debtors and accordingly the same may affect the amount of the carrying amount of debtors and the profit.	As there has been fraud in the Company and therefore, the Company is not able to provide the same.
8	The previous auditor have not reported the same, however Directors have filed Complain against the Merchant Banker & Other in Economic Offence wing. According to the complaint filed the amount of Rs. 5,53,17,906 shown in Other Current Financial Assets includes the amount 5,53,17,906 fraudulently transferred by Merchant banker and other. The case is not resolved yet.	The Complaint is under process at Economic Offence Wing (EOW).



**Internal auditors:**

As the Company facing fraud during the last financial year 2017-18 and therefore, the Board could not appoint the Internal Auditor pursuant to provisions 138 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

**Cost Audit Report:**

As per provision of section 148(3) of Companies Act, 2013 and rule 6(2) of Companies (Cost records and audit) Rules, 2014, the Company is not required to appoint a cost auditor to audit the cost records of the Company.

**Secretarial Auditors & Secretarial Audit Report:**

Pursuant to the provisions of Section 204 of the Act and applicable rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit has been carried out by M/s. Alpesh Dhandhlya & Associates, Practicing Company Secretaries, Ahmedabad. The Report of the Secretarial Audit in Form MR-3 for the Financial Year ended March 31, 2019 is annexed as **Annexure “D”** to this Report.

**Reply of qualification of Secretarial Auditor in Secretarial Audit Report**

Sr. No.	Reservation/Remark/Qualification	Reply by Management
1	<i>The Company has not appointed Internal Auditor as per the requirement of section 138 of the Companies Act, 2013;</i>	The Company is already in process to regularise all the statutory requirements and therefore the Internal Auditor will be appointed soon by the Board of the Company.
2	<i>There were transactions, although prior to the audit period which has shown as ‘Advances to others-under dispute’ in the financial statement 2018-19, we have not been provided clarification thereupon.</i>	The matter is under dispute.
3	<i>The Company has not appointed CS and Compliance Officer as per the requirement of Regulation 6 (1) of the SEBI (LODR), 2015 for the full year.</i>	The Company has already appointed CS in compliance with Section 203 of the Companies Act, 2013, however, as the Company is also in process to do compliance of Regulation 6 (1) of the SEBI (LODR), Regulations, 2015.

4	<i>During the Audit period, the AGM for the Financial Year 2017-18 was falling, however, the same has not been held by the Company as per the requirement of the section 96 of the Companies Act, 2013 and Rules made thereunder and related compliance notice of AGM etc. have not been complied.</i>	As the Company has faced fraud as intimated to BSE, ROC etc., the Company has not called upon the AGM to regularise the all compliances.
5	<i>The Company has not filed Financial Result for the financial year ended 31.03.2019 with the Stock Exchange as per the requirement of the Regulation 44 of the SEBI (LODR), 2015.</i>	The Board meeting dated 12.02.2020 going to consider the same.
6	<i>The Compliance Certificate as per the requirement of sub-regulation (2) and (3) of Regulation 7 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has not been filed for the half year ended 30.09.2018 with the Stock Exchange.</i>	The Company could not do file the same timely, however the Company will file the same at the earliest.
7	<i>The Company has not maintained its website in letter and spirit.</i>	The Company is going to regularise the Website of the Company as per the requirement of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.
8	<i>Appointment of the new Auditor to fill the casual vacancy of the resigned auditor has not been approved in Shareholders meeting within the statutory time limit as per section 139 of the Companies Act, 2013.</i>	As the Company has faced fraud, hence it was not in position to call the Shareholders meeting to get approved. However, the Company has already called Extra-ordinary General meeting for the approval of the same.
9	<i>Intimation to Stock Exchange regarding the resignation of the CS and Auditor has not been submitted timely in compliance with the Regulation 30 of the SEBI (LODR), Regulations 2015.</i>	The Auditor has abruptly resigned and therefore the Board has not reported the same within statutory time limit. The Company has already informed the BSE about the resignation of CS latterly.
10	<i>The Financial Statement of the Financial Year ended 31.03.2018 has not been signed by CS as per the requirement of the section 134 of the Companies Act, 2013.</i>	As on date of signing of the said Financial Statement by Directors, the CS was not appointed by the Company.
11	<i>The Income Tax Department has also levied penalties under section 271(1)(b) of the Income Tax Act, 1961 as on 28/03/2019 vide Order No. : ITBA/PNL/F/271(1)(b)/2018-19/1015500340(1).</i>	The Company is already going to comply with the said Order of the Income Tax Department.

### **13. ISSUE OF EQUITY SHARES:**

During the financial year, the Company had not issued any shares.

- 14.** Policy laid down by the Nomination and Remuneration Committee for remuneration of Directors, Key Managerial Persons (KMP) and other employees and the criteria formulated by the committee for determining qualifications, positive Attributes, Independence of a Director. Please refer **ANNEXURE-“C”** attached to this report.

### **15. VIGIL MECHANISM AND WHISTLE BLOWER POLICY:**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Regulations, includes an Ethics & Compliance Task force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or telephone line or a letter to the Chairman of the Audit Committee. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the address [www.thekidsclinic.in](http://www.thekidsclinic.in).

### **16. INFORMATION ABOUT THE FINANCIAL PERFORMANCE/FINANCIAL POSITION OF THE SUBSIDIARY:**

The Company has no Subsidiary/Joint Ventures/Associate Companies

### **17. EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return in Form MGT-9 of the Company is annexed herewith as **ANNEXURE “A”** to this report.

### **18. INTERNAL CONTROLS AND THEIR ADEQUACY:**

The Company has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

### **19. RISKS MANAGEMENT POLICY:**

The Board of Directors of the Company has framed and adopted a policy on Risk Management of the Company. The Company has identified various risks and also has mitigation plans for each risk identified and it has a comprehensive Risk Management system which ensures that all risks are timely defined and mitigated in accordance with the Risk Management Policy. The Company is not required to statutorily constitute the Risk Management Committee.

## **20. CORPORATE SOCIAL RESPONSIBILITY POLICY AND ANNUAL REPORT ON CSR:**

In pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors.

Till Date the Company is not falling under the defined criteria applicable to the company under the Companies Act, 2013.

## **21. RELATED PARTY TRANSACTIONS:**

All contracts/arrangements/transactions entered during the financial year with related parties were in the ordinary course of the business and on arm's length basis. During the year, the company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

## **22. LISTING WITH STOCK EXCHANGES:**

The Company is listed on the SME Bombay Stock Exchange Ltd. (BSE) from the year 2017-18. The company has paid listing fees to BSE for the financial year 2018-19.

## **23. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

The Company has complied with amended clause of Listing Regulations concerning strength of independent directors on the Board before March 31, 2019.

## **24. SECRETARIAL STANDARDS:**

The Company has complied with amended secretarial standards.

## **25. ACCOUNTING FOR TAXES ON INCOME:**

There is no Deferred Tax Liability for the Financial Year 2018-2019.

## **26. QUALITY:**

We are pediatric healthcare management service provider Company and we are not certified ourselves under any quality measurement company.

## **27. INSURANCE:**

We are Management/Technology/Growth partners of Doctor's clinic and service provider to the Doctors and parents of the child, basically our company is service provider. At present our company has not taken any insurance policy as on the date of this Prospectus

## **28. HUMAN RESOURCES:**

Your Company considers its employee as the valuable assets of the Company. The Company regularly organises various training programme at all level to enhance skill of the employees. The employees are fully committed to the growth of the Company.

## **29. LITIGATION:**

There was no material litigation outstanding as on March 31, 2019 and the details of pending litigation including tax matters are disclosed in the Financial Statements. *However, there is incidence of fraud happened with the Company and the same has been defined in point no. 8 of this Directors Report.*

## **30. FORMAL ANNUAL EVALUATION:**

The Board of Directors has carried out as annual evaluation of its own performance, its committees and individual Directors pursuant to the requirements of the Act and the Listing Regulations.

Further, the Independent Directors, at their exclusive meetings held on 29.01.2019 reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

## **31. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION:**

The Company has taken precautionary steps for conservation of energy & technology absorption by implementing various measures & efforts which improve the productivity of the employees, improve quality of a service, reduce the cost of a services and no specific investment has been made in reduction in energy consumption.

## **32. INSIDER TRADING REGULATIONS:**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a “Code of Conduct for Prevention of Insider Trading” and “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” for regulating, monitoring and reporting of trading in shares of the Company by the Promoters, Designated Persons, Key Managerial Personnel, Directors, Employees, Connected Persons and Insiders of the Company. The said codes are in accordance with the said Regulations and are also available on the website of the Company.

## **33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There was no case of sexual harassment reported

during the year under review.

**34. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

During the year under review, No amount is required to transfer to “Investor Education & Protection Fund” as required under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended.

**35. GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- b) No significant or material orders were passed by the Regulations or Courts or Tribunals which impact the going concern status and Company’s operations in future.
- c) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees. No disclosure is required under section 67(3)(c) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable during the period under review.
- d) Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**36. DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of the Section 134 of the Companies Act, 2013, the directors confirm that:

1. in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



4. they have prepared the annual accounts on a going concern basis;
5. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **37. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the period under review foreign exchange earnings or out flow reported as follow:

<b>Particulars</b>	<b>Amount In INR</b>
Out Flow	NIL
Earning	NIL

### **38. APPRECIATION:**

The Directors thank the Bankers and the concerned authorities of the Government for their co-operation, and also record their appreciation for the efforts put in by the employees.

#### **Registered Office:**

F-806, Titanium City Center, Near  
Sachin Tower, Anand Nagar Road,  
Satellite, Ahmedabad, Gujarat-  
380015, India

On behalf of the Board,  
**M/S. KIDS MEDICAL  
SYSTEMS LIMITED**

**Date:** 12/02/2020

**Place:** Ahmedabad

**PALLAVI DAM**  
**CFO & DIRECTOR**  
**DIN: 03514501**

**ANIRVAN DAM**  
**MANAGING DIRECTOR**  
**DIN: 03031807**

**ANNEXURE "A"****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.3.2019****[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:**

CIN	L85110GJ2013PLC075191
Registration date	22/05/2013
Name of the Company	Kids Medical Systems Limited
Category / Sub-Category of the Company	Having share capital
Address of the registered office and contact details	F-806, Titanium City Center, Near Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad, Gujarat-380015, India
Whether listed company (Yes/No)	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED 9, Shiv Shakti Industrial Estate, J.R. BorichaMarg, Lower Parel (East), Mumbai, MH-400011, India

**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:

<b>Sr No.</b>	<b>Name and Description of main Products / Services</b>	<b>NIC Code of the Product / Service</b>	<b>% to total turnover of the Company</b>
1	Medical clinic, health care centers, hospitals, diagnostic centers, surgical homes, dispensaries, maternity homes, intensive/critical care units, laboratories, research centers, operation theaters, pediatrics clinics, sanatoriums, nursing homes and Rehabilitation center for healthy life or medical reliefs.	99931210	100 %

### III. Particulars of holding, subsidiary and Associate Companies:

Sr. no	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	Applicable Section
-----Not Applicable-----				

### IV. Shareholding pattern (Equity share capital break up as percentage of Total Equity):

#### (i) Category-wise Shareholding:

Category of Share holder	No. of Shares held at the beginning of the year i.e. 1 <sup>st</sup> April, 2018				No. of Shares held at the end of the year i.e. 31 <sup>st</sup> March, 2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
a) Individual/ HUF	3929254	-	3929254	55.41	3929254	-	3929254	55.41	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub total A(1)</b>	<b>3929254</b>	<b>-</b>	<b>3929254</b>	<b>55.41</b>	<b>3929254</b>	<b>-</b>	<b>3929254</b>	<b>55.41</b>	<b>-</b>
<b>(2) FOREIGN</b>									
a) NRI-individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total A(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)</b>	<b>3929254</b>	<b>-</b>	<b>3929254</b>	<b>55.41</b>	<b>3929254</b>	<b>-</b>	<b>3929254</b>	<b>55.41</b>	<b>-</b>
<b>B) Public Shareholding</b>									
<b>1. INSTITUTIONS</b>									
Mutual funds	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Central Govt.(IEPF)	-	-	-	-	-	-	-	-	-

State Govt.	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FII's	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Foreign Portfolio Investor (Corporate))	24000	-	24000	0.34	24000	-	24000	0.34	-
Others (Clearing Members)	124009	-	124009	1.75	224000	-	224000	3.16	1.41
Others (Market Maker)	240000	-	240000	3.38	528000	-	528000	7.45	4.07
<b>Sub Total B(1):-</b>	<b>388009</b>	<b>-</b>	<b>388009</b>	<b>5.47</b>	<b>776000</b>	<b>-</b>	<b>776000</b>	<b>10.95</b>	<b>5.48</b>
<b>2. NON-INSTITUTIONS</b>									
<b>a) Bodies Corp.</b>									
1) Indian	708000	-	708000	9.98	340000	-	340000	4.79	5.19
2) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 2lakh	343954	26726	370680	5.23	368963	26727	395689	5.58	0.35
ii) Individual Shareholders holding nominal share capital in excess of Rs 2 lakh	1006346	664810	1671156	23.57	802133	729771	1531904	21.60	16.94
<b>c) Others (Foresight Inc)</b>	-	-	-	-	-	-	-	-	-
<b>HUF</b>	20000	-	20000	0.28	20000	-	20000	0.28	-
<b>NRI</b>	4000	-	4000	0.06	98252	-	98252	1.39	1.33
<b>Sub total (B) (2):-</b>	<b>2082300</b>	<b>691536</b>	<b>2773836</b>	<b>39.12</b>	<b>1629348</b>	<b>756498</b>	<b>2385845</b>	<b>33.64</b>	<b>23.81</b>
<b>Total Public Share holding (B) = (B) (1) + (B) (2)</b>	<b>2470309</b>	<b>691536</b>	<b>3161845</b>	<b>44.59</b>	<b>2405348</b>	<b>756498</b>	<b>3161845</b>	<b>44.59</b>	<b>29.29</b>
<b>C. Shares held by</b>	-	-	-	-	-	-	-	-	-

Custodian for GDRs & ADRs									
<b>GRAND TOTAL A+B+C</b>	<b>63995 63</b>	<b>69153 6</b>	<b>70910 99</b>	<b>100</b>	<b>63346 02</b>	<b>75649 8</b>	<b>70910 99</b>	<b>100</b>	<b>29.29</b>

**(ii) Shareholding of Promoters:**

Sl. No .	Name Of Share Holder	Shareholding At The Beginning Of The Year			Shareholding At The End Of The Year			% Change During The Year
		No Of Shares	% Of Total Shares Of The Compa ny	% Of Shares Pledged/ Encumb ered To Total Shares	No Of Shares	% Of Total Shares Of The Compa ny	% Of Shares Pledged/ Encumb ered To Total Shares	
1.	Pallavi Dam	11,88, 107	16.75	--	11,88, 107	16.75	--	--
2.	Dam Anirvan	10,25, 728	14.47	--	10,25, 728	14.47	--	--
3.	Mr. Timir Solanki	3,35,7 61	4.73	--	3,35,7 61	4.73	--	--
4.	Mr. Harjit Kumar	3,35,7 61	4.73	--	3,35,7 61	4.73	--	--
5.	Mr. Lovekesh Sharma	1,34,3 23	1.89	--	1,34,3 23	1.89	--	--
6.	Mr. Kishor Gokhru	9,09,6 64	12.83	--	9,09,6 64	12.83	--	--
TOTAL		<b>39,29, 254</b>	<b>55.41</b>	--	<b>39,29, 254</b>	<b>55.41</b>	--	--

**(iii) Change in Promoter's Shareholding:**

Sr . No .	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Pallavi Anirvan Dam</b>				
	<b>At the beginning of the year</b>	11,88,107	16.75	11,88,107	16.75
	Change during the year	-	-	-	-
	At the end of the year	11,88,107	16.75	11,88,107	16.75
<b>2</b>	<b>Anirvan Dam</b>				
	<b>At the beginning of the year</b>	10,25,728	14.47	10,25,728	14.47
	Change during the year	-	-	-	-
	At the end of the year	10,25,728	14.47	10,25,728	14.47

<b>3</b>	<b>Timir Solanki</b>				
	<b>At the beginning of the year</b>	3,35,761	4.73	3,35,761	4.73
	Change during the year	-	-	-	-
	At the end of the year	3,35,761	4.73	3,35,761	4.73
<b>4</b>	<b>Harjit Kumar</b>				
	<b>At the beginning of the year</b>	3,35,761	4.73	3,35,761	4.73
	Change during the year	-	-	-	-
	At the end of the year	3,35,761	4.73	3,35,761	4.73
<b>5</b>	<b>Lovekesh Sharma</b>				
	<b>At the beginning of the year</b>	1,34,323	1.89	1,34,323	1.89
	Change during the year	-	-	-	-
	At the end of the year	1,34,323	1.89	1,34,323	1.89
<b>6</b>	<b>Kishor Gokhru</b>				
	<b>At the beginning of the year</b>	9,09,664	12.83	9,09,664	12.83
	Change during the year	-	-	-	-
	At the end of the year	9,09,664	12.83	9,09,664	12.83

**(iv) Shareholding Pattern of top ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs):**

Sr No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>NNM SECURITIES PVT LTD</b>				
	<b>At the beginning of the year</b>	240000	3.38	240000	3.38
	Change during the year	288000	4.07	528000	7.45
	At the end of the year	528000	7.45	528000	7.45
<b>2</b>	<b>THREE D ENTERPRISES PRIVATE LIMITED</b>				
	<b>At the beginning of the year</b>	375751	5.30	375751	5.30
	Change during the year	-	-	-	-
	At the end of the year	375751	5.30	375751	5.30
<b>3</b>	<b>SUNCARE TRADERS LIMITED</b>				
	<b>At the beginning of the year</b>	276000	3.89	276000	3.89
	Change during the year	-	-	-	-
	At the end of the year	276000	3.89	276000	3.89



<b>4</b>	<b>GRETEX SHARE BROKING PRIVATE LIMITED</b>				
	<b>At the beginning of the year</b>	-	-	-	-
	Change during the year	164000	2.31	164000	2.31
	At the end of the year	164000	2.31	164000	2.31
<b>5</b>	<b>MAYUR RAJENDRABHAI PARIKH</b>				
	<b>At the beginning of the year</b>	152000	2.14	152000	2.14
	Change during the year	-	-	-	-
	At the end of the year	152000	2.14	152000	2.14
<b>6</b>	<b>INTERACTIVE FINANCIAL SERVICES LIMITED</b>				
	<b>At the beginning of the year</b>	128000	1.81	128000	1.81
	Change during the year	-	-	-	-
	At the end of the year	128000	1.81	128000	1.81
<b>7</b>	<b>SANJEEV BURMAN JHAVERI</b>				
	<b>At the beginning of the year</b>	-	-	-	-
	Change during the year	108000	1.52	108000	1.52
	At the end of the year	108000	1.52	108000	1.52
<b>8</b>	<b>NEWEDGE VINIMAY PRIVATE LIMITED</b>				
	<b>At the beginning of the year</b>	-	-	-	-
	Change during the year	100000	1.41	100000	1.41
	At the end of the year	100000	1.41	100000	1.41
<b>9</b>	<b>AMIT BHANWARLAL AGRAWAL</b>				
	<b>At the beginning of the year</b>	-	-	-	-
	Change during the year	96000	1.35	96000	1.35
	At the end of the year	96000	1.35	96000	1.35
<b>10</b>	<b>JITTIN JOSEPH THAZHATH</b>				
	<b>At the beginning of the year</b>	94252	1.33	94252	1.33
	Change during the year	-	-	-	-
	At the end of the year	94252	1.33	94252	1.33

**(V) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

<b>1</b>	<b>Pallavi Anirvan Dam</b>				
	<b>At the beginning of the year</b>	11,88,107	16.75	11,88,107	16.75
	Change during the year	-	-	-	-
	At the end of the year	11,88,107	16.75	11,88,107	16.75
<b>2</b>	<b>Anirvan Dam</b>				
	<b>At the beginning of the year</b>	10,25,728	14.47	10,25,728	14.47
	Change during the year	-	-	-	-
	At the end of the year	10,25,728	14.47	10,25,728	14.47
<b>3</b>	<b>NIHAR PANKAJ PAREKH</b>				
	<b>At the beginning of the year</b>	38947	0.55	38947	0.55
	Change during the year	-	-	-	-
	At the end of the year	<b>38947</b>	<b>0.55</b>	<b>38947</b>	<b>0.55</b>

#### **V. Indebtedness:**

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

<b>Particulars</b>	<b>Secured Loans Excluding Deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	2,999,555	--	2,999,555
ii) Interest Due but Not Paid	--	--	--	--
iii) Interest Accrued but not due	--	--	--	--
<b>TOTAL I + II = III</b>	--	<b>2,999,555</b>	--	<b>2,999,555</b>
<b>Change in indebtedness during the financial year</b>				
i) Addition	--	701778	--	701778
ii) Reduction	--	--	--	--
<b>Net Change</b>	--	<b>701778</b>	--	<b>701778</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	--	37,01,333	--	37,01,333
ii) Interest Due but Not Paid	--	--	--	--
iii) Interest Accrued but not due	--	--	--	--
<b>TOTAL I + II = III</b>	--	<b>37,01,333</b>	--	<b>37,01,333</b>

#### **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

<b>SN.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/</b>	<b>Total</b>
------------	------------------------------------	------------------------	--------------

		Manager		Amount
		Anirvan Dam		
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	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify	--	--	--
5.	Others, please specify	--	--	--
	Total (A)	--	--	--
	Ceiling as per the Act	--	--	--

#### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	<b>Total (1)</b>			
2.	Other Non-Executive Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	<b>Total (2)</b>			
	<b>Total (B)=(1+2)</b>			
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:(If there is otherwise delete)

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	Ekta Mehta		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,000	--	--
	(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	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--

4	Commission	--	--	--
	- as % of profit	--	--	--
	- Others, specify...	--	--	--
5	Others, please specify	--	--	--
	<b>Total</b>	--	--	--

## 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)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

### Registered Office:

F-806, Titanium City Center, Near Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad, Gujarat-380015, India.

**Date:** 12/02/2020

**Place:** Ahmedabad

On behalf of the Board,  
**M/S. KIDS MEDICAL  
SYSTEMS LIMITED**

**PALLAVI DAM**  
**CFO & DIRECTOR**  
**DIN: 03031807**

**ANIRVAN DAM**  
**MANAGING DIRECTOR**  
**DIN: 03031807**

**FORM NO. AOC -2**

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

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

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

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis.

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or	Nil

	transaction including the value, if any	
e)	Date of approval by the Board	Nil
f)	Amount paid as advances, if any	Nil

**Registered Office:**

F-806, Titanium City Center, Near  
Sachin Tower, Anand Nagar Road,  
Satellite, Ahmedabad, Gujarat-  
380015, India.

**On behalf of the Board,  
M/S. KIDS MEDICAL  
SYSTEMS LIMITED**

**Date:** 12/02/2020

**Place:** Ahmedabad

**PALLAVI DAM**  
**CFO & DIRECTOR**  
**DIN: 03031807**

**ANIRVAN DAM**  
**MANAGING DIRECTOR**  
**DIN: 03031807**



**Detail pertaining to remuneration as required under Section 197[12] of the Companies Act, 2013 read with Rule 5[1] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014.**

1. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 2018-19:

Name of the Director/ KMP	Remuneration to the Director/ KMP for the FY 2018-19	Percentage Increase/Decrease in Remuneration in FY 2018-19	Ratio of each director to the median remuneration of the employee	Comparison of Remuneration of the KMP against the performance of the company
Mr. Anirvan Dam, Managing Director	As per below note	As per below note	As per below note	As there was financial fraud happened with the Company in previous year i.e. 2017-18, therefore no remuneration has been given.
Mrs. Pallavi Dam, Chief Financial Officer	As per below note	As per below note	As per below note	
Mr. Nihar Parekh, Director	As per below note	As per below note	As per below note	
Mr. Nischal Bhatt, Director	As per below note	As per below note	As per below note	
Ms. Ekta Mehta, Company Secretary	40,000			

**Note:** As there was financial fraud happened with the Company, previous year i.e. 2017-18, therefore no remuneration has been given to them except to the Company Secretary Ms. Ekta Mehta, as mentioned above and hence, the median remuneration could not be found out.

1. The median remuneration of employees of the Company during the financial year was **NIL**.
2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, in the financial year: There is no increase in remuneration of Managing Director, Whole-time Director, Chief Financial Officer and Company Secretary.
3. The percentage decrease in the median remuneration of employees in the financial year is **NIL**.
4. The number of permanent employees on the rolls of company was **NIL** as on 31st March, 2019.
5. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was **NIL**.
6. There was no employee receiving remuneration higher than the highest paid Director during the financial year.
7. The Company affirms remuneration is as per the Remuneration Policy of the Company.

## **ANNEXURE "B"**

### **MANAGEMENT DISCUSSION & ANALYSIS**

#### **A. INDUSTRY STRUCTURE & DEVELOPMENT:**

Our Company is engaged in providing solution in healthcare sector as pediatric clinic chain provider. We offer exclusive services which can benefit the child for their healthcare needs. Kids Clinic (TKC) is a venture of "Kids Medical Systems Private Ltd" started in June, 2013 and our company has launched our first pediatric clinic chain. We partner with doctors at a clinic /premise level. We offer services which can assist and help doctors to manage, educate and develop their clinic, its infrastructure, its people and most importantly also provide guidance in services to parents of the child. Our overall output is purely focused on delivering great health services by using technological platforms to connect the audience with the doctors and vice versa. We also assist in all services like timely reminders on vaccinations and other services are offered to parents proactively as we understand a proper communication, and better service standards offered at the time of distress where immediate child healthcare services are required. Therefore giving the strong arms to the Doctors in tech-management area which helps them to do their tasks better resulting they can focus on their core competencies of sharing and solving concerns efficiently, while we manage and better the overall 360 degree communication and service platforms for them. We provide the service Management/Light Asset Model which includes the clinic Management Software, clinic reports, Training, recruitment of staff, Online and Offline engagement with customers. In addition we also provide Glow sign Boards, Paraphernalia, Standees and also arrange for co-branding marketing efforts, as and when required in Pre-School, Schools, mailers, SMS, whatsapp or other electronic or through other devices or modes. We are also engaged in providing hospital consultancy to our Doctor Partners. We started from 1(one) clinic in Dombvilli (Thane District- Maharastra) and reached to 15 (Fifteen) clinic management partnerships till date. We believe that our business model has evolved and become significantly stronger with each passing year. We intend to be a part of positive change in the child health care sector and to be a clinic partnership company, offering, managing and serving the Doctors-Pediatric and Patients. Our company is having one of the clinics in Harinivas at Mumbai, taken on leased basis and being run on owned-revenue sharing model, where we hire the premises on a lease basis generally for a period of 2-3 years. We tie up with Doctors and issue a letter of Intent to Doctors to visit our clinic for 2-4 hours in a day and render their service against which we would be sharing 30% to 50% of Net profit with Doctor Partners. In Owned-Revenue sharing Model, we make the investment in fixed assets like (furniture, computer, printer, Air condition, Refrigerator, Glow sign Boards, Paraphernalia, Standees etc.) and other expenditure

towards restructuring the premises, paints, flooring, POP's (Plaster of paris work) as per our uniform specific design etc. In revenue sharing business model we execute agreement with Doctor Partners to provide the following offerings to the Doctor Partner like Recruitment, training, and monitoring of existing and future staff, Additional Doctors for locums and additional shifts if and when required would be provided, Provide all platform for online Billing and online data management and medical records through our website, Banking including cash management; and business report, Business analytics and reports by our Team etc.

**B. OPPORTUNITIES, THREATS, RISKS & CONCERNS:**

**1. Opportunities:**

The next 5 to 10 years, forecast of the National Market availability is projected to have huge increase as compared to the several past years. The Company has been able to improve market share from health service sector with the help of Improvement of new technology.

**2. Threats:**

Our Company's future results of operations could be affected potentially by the following factors:

- ☐ Political Stability of the Country
- ☐ World Economy
- ☐ Government policies for the Health and Medical Sector
- ☐ Investment Flow in the country from the other countries
- ☐ Competition from existing players as well as from the new entrants
- ☐ Company's ability to successfully implement our growth strategy
- ☐ Loss due to delay in execution of projects in time

**3. Risks & Concerns:**

Such a growth strategy may expose us to risks which may arise due to investment to be made in to the totally new geographically area and also lack of familiarity with the development and management of our facilities in these regions. If we are not able to manage the risk of such expansion it would have a material adverse effect on our operations and financial results too

**C. OUTLOOK:**

Overall market seems improved as compared to last couple of years for KIDS MEDICAL SYSTEMS LIMITED.

**D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls,

monitoring economy and efficiency of operations, protecting assets from unauthorised use or losses, and ensuring reliability of financial and operational information.

An Audit Committee of the Board of Directors comprising of Independent Directors and Whole Time Directors, which is functional from 2018-19 Financial Year, has reviewed regularly the audit plans, significant audit findings, adequacy of internal controls as well as compliance with Accounting Standards.

**E. FINANCIAL PERFORMANCE:**

Turnover (sales and other income from operations), decreased to 3,418,995 from Rs. 5,131,616.

Expenditure decreased to 6,754,668 from Rs. 8,373,677 mainly on account of the decrease in the turnover and level of production. During the year finance costs decreased from Rs. 5,45,477.23 to Rs. 79,668.

Profit before depreciation, finance costs and tax decreased to (3245139) from Rs. (18,65,205.62).

The Company's Profit before Tax (PBT) decreased to (3,324,807) from Rs. (28,53,139.87)

**F. HUMAN RESOURCES:**

Industrial relations continued to be cordial during the year.

**G. CAUTIONARY STATEMENT:**

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets, change in the Government regulations, tax laws and other statutes and incidental factors.

## **ANNEXURE “C”**

### **NOMINATION & REMUNERATION POLICY**

#### **1. Introduction:**

In terms of Section 178 of the Companies Act, 2013, and the Listing Regulations entered into by the Company with Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. This policy shall act as a guideline for determining, inter alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

#### **2. Objective :**

The policy is framed with the following objectives:

- 2.1 That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- 2.2 That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 2.3 That the remuneration to Directors and Key Managerial Personnel (KMP) involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- 2.4 To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.
- 2.5 To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- 2.6 To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

- 3.7 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 3.8 To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

### **3. Definitions:**

In this Policy, unless the context otherwise requires, the following definitions shall apply:

- 3.1 **'Act'** means The Companies Act, 2013, and rules thereunder.
- 3.2 **'Board of Directors'** or **'Board'**, in relation to the Company, means the collective body of the directors of the Company.
- 3.3 **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 3.4 **'Company'** means KIDS MEDICAL SYSTEMS LIMITED.
- 3.5 **'Directors'** means Directors of the Company.
- 3.6 **'Independent Director'** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- 3.7 **'Key Managerial Personnel'** (KMP) means: (a) Chief Executive Officer and / or Managing Director, (b) Whole Time Director, (c) Chief Financial Officer, (d) Company Secretary, and (e) Such other officer as may be statutorily prescribed.
- 3.8 **'Ministry'** means the Ministry of Corporate Affairs.
- 3.9 **'Regulations'** refers to and comprises The Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Listing Regulations and such other rules and provisions as applicable to the matters dealt in by this Policy.
- 3.10 **'Senior Management Personnel'** for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below



the executive director(s), including the functional / vertical heads.

- 3.11 Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### **4. Nomination and Remuneration Committee:**

##### **4.1 Guiding Principles for constitution of Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee will consist of three or more nonexecutive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such a Committee.

- 4.2** The Committee will meet at such intervals as it deems fit to carry out the objectives set out in the Policy. A quorum of two members is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the applicable Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit.

#### **5. Role of the Committee:**

##### **5.1** The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- ii. Identify persons who are qualified to become a Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- iii. Lay down the evaluation criteria for performance evaluation of Independent Directors and the Board;
- iv. Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- v. To devise a Policy on Board diversity.

- 5.2** The Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting,

to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

**5.3** Provided that Nomination and Remuneration Committee shall set up a mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

**6. Applicability:** This Policy is applicable to:

- a. Directors viz. Executive, Non-executive and Independent
- b. Key Managerial Personnel
- c. Senior Management Personnel
- d. Other Employees of the Company as may be decided by the Board

**7. Appointment criteria and qualification:**

**7.1** The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

**7.2** For the appointment of KMP (other than Managing / Whole time Director) or Senior Management Personnel, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the Managing Director is authorized to identify and appoint a suitable person for such position. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

**8. Term / Tenure:** The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and as per the Listing Regulations/Listing Regulations, as amended from time to time. However, the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

**9. Training of Independent Directors:**

**9.1** The company shall provide suitable training to Independent Directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the

industry in which the company operates, business model of the company, etc.

**9.2** The details of such training imparted shall be disclosed in the Annual Report.

## **10. Evaluation:**

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

## **11. Disqualifications for Appointment of Directors:**

11.1 Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a company if:

- a. He is of unsound mind and stands so declared by a competent court;
  - b. He is an undischarged insolvent;
  - c. He has applied to be adjudicated as an insolvent and his application is pending;
  - d. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
- i. Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
  - ii. An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
  - iii. He has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
  - iv. He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
  - v. He has not complied with sub-section (3) of section 152 of The Companies Act, 2013.

11.2. No person who is or has been a director of a company which:

- a. Has not filed financial statements or annual returns for any continuous period of three financial years; or

- b. Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

## **12. Removal:**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any

## **13. Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **14. Remuneration of Managing / Whole Time Director, KMP & Senior Management Personnel :**

**14.1** The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole Time Director will be determined by the Committee and recommended to the Board for approval. Subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder.

**14.2** Further, the Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

## **15. Remuneration to Non-Executive / Independent Director:**

The remuneration / commission sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and as per the Listing Regulations/Listing Regulations, as amended from time to time.

**16. Dissemination:**

The details of the Policy and the evaluation criteria as applicable shall be published on Company's website and accordingly disclosed in the Annual Report as part of Board's report therein.

## ANNEXURE "D"

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**KIDS MEDICAL SYSTEMS LIMITED**  
F-806, Titanium City Center,  
Near Sachin Tower, Anand Nagar Road,  
Satellite, Ahmedabad, Gujarat-380015, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. KIDS MEDICAL SYSTEMS LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that a reasonable basis provided to me for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31 March 2019** ('Audit Period') 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 the Company for the financial year ended on **31 March 2019** 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, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period);**



- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India
- ii) The Uniform Listing Agreement entered into by the Company with Stock Exchanges pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations/qualification;

1. **The Company has not appointed Internal Auditor as per the requirement of section 138 of the Companies Act, 2013;**
2. **There were transactions, although prior to the audit period which has shown as 'Advances to others-under dispute' in the financial statement 2018-19, we have not been provided clarification thereupon.**
3. **The Company has not appointed CS and Compliance Officer as per the requirement of Regulation 6 (1) of the SEBI (LODR), 2015 for the full year.**
4. **During the Audit period, the AGM for the Financial Year 2017-18 was falling, however, the same has not been held by the Company as per the requirement of the section 96 of the Companies Act, 2013 and Rules made thereunder and related compliance notice of AGM etc. have not been complied.**
5. **The Company has not filed Financial Result for the financial year ended 31.03.2019 with the Stock Exchange as per the requirement of the Regulation 44 of the SEBI (LODR), 2015.**
6. **The Compliance Certificate as per the requirement of sub-regulation (2) and (3) of Regulation 7 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has not been filed for the half year ended 30.09.2018 with the Stock Exchange.**
7. **The Company has not maintained its website in letter and spirit.**
8. **Appointment of the new Auditor to fill the casual vacancy of the resigned auditor has not been approved in Shareholders meeting within the statutory time limit as per section 139 of the Companies Act, 2013.**
9. **Intimation to Stock Exchange regarding the resignation of the CS and Auditor has not been submitted timely in compliance with the Regulation 30 of the SEBI (LODR), Regulations 2015.**

**10. The Financial Statement of the Financial Year ended 31.03.2018 has not been signed by CS as per the requirement of the section 134 of the Companies Act, 2013.**

**11. The Income Tax Department has also levied penalties under section 271(1)(b) of the Income Tax Act, 1961 as on 28/03/2019 vide Order No. : ITBA/PNL/F/271(1)(b)/2018-19/1015500340(1).**

**I further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Minimum Wages Act, 1948 and Rules made thereunder;
- (b) Environmental Law;

I have relied on the representation made by the Company for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

I further Report that, Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 was strictly not complied in words and spirit.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**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.

**Place:** Ahmedabad

**Date:** 12/02/2020

**FOR, ALPESH DHANDHYA & ASSOCIATES  
COMPANY SECRETARIES**

**CS ALPESH DHANDHYA  
(PROPRIETOR)  
CP NO. 12119  
UDIN: A032500B000127837**

To,  
The Members,  
**KIDS MEDICAL SYSTEMS LIMITED**  
F-806, Titanium City Center,  
Near Sachin Tower, Anand Nagar Road,  
Satellite, Ahmedabad, Gujarat-380015, India

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have not checked any compliances with respect to the Income Tax Act, 1961, GST or any other financial or taxation laws *.(except for the penalty as mentioned above).*
4. Wherever 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, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Ahmedabad

**Date:** 12/02/2020

**FOR, ALPESH DHANDHYA & ASSOCIATES  
COMPANY SECRETARIES**

**CS ALPESH DHANDHYA  
(PROPRIETOR)  
CP NO. 12119  
UDIN: A032500B000127837**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF KIDS MEDICAL SYSTEMS LIMITED**

Report on the Audit of the Standalone Financial Statements

#### **Opinion**

We have audited the accompanying standalone financial statements KIDS MEDICAL SYSTEMS LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss, and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements for the year ended 31st March 2019.

#### **Basis of Disclaimer of Opinion**

We have conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibility under those Standards are further described in Auditor's Responsibility for the Audit of the standalone financial statements section of our report. We are independent of the company in accordance of with code of ethics issued by ICAI together with the independence requirement that are relevant to our audit of standalone financial statement 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.

***In the course of carrying out our review/audit, we have attempted to obtain sufficient and appropriate audit evidence to satisfy ourselves that the items reflected in the financial statements are fairly stated, but failed:***

- 1. We have reviewed figures of only F.Y. 2018-19, the previous year's have been taken as opening balances from the financial statements audited by M/s Doshi Maru & Associates. (The matter is under dispute as per POINT-8)***
- 2. We have relied on the management representation for the existence and valuation of Fixed Asset. As regards opening balance of capital work in progress of Rs. 3,54,09,934 which has been considered as not available for use has been netted off against the security premium. Had the same been***

*routed through Profit and loss account then the current year loss would have been increased by that amount.*

- 3. We have not been provided with the balance confirmation or any other details for the trade receivable, trade payable, Loans and advances receivable/Payable shown in the books of accounts. In absence of the same we are unable to confirm the balance and nature of the transactions.*
- 4. We have not been provided with the bank statements, rent agreements, invoices/ vouchers for expenses. We have relied only on management representation in this regards.*
- 5. We have not been provided with the challan / acknowledgements/ returns for the payment of the TDS/GST/PF/ESIC or any other statutory payments made by the company.*
- 6. The Company has no fixed assets register. The existence of the fixed asset has only been confirmed by the management. We have not be able to confirm from any other method about the existence and valuation of the said fixed assets.*
- 7. We would like to draw attention to the fact that, balance confirmation from the parties from whom amounts are due for more than one year were not available and in absence of the same we are not in position to comment on the deviation in the balances or execution of the transactions. The absence of the said balance confirmation would also affect the expected credit loss of the debtors and accordingly the same may affect the amount of the carrying amount of debtors and the profit.*
- 8. During our review we have been informed by the management that the financial results for the year ended on 31st March, 2018 have been published late as there is a financial fraud during and after IPO.*

*The previous auditor have not reported the same, however Directors have filed Complain against the Merchant Banker & Other in Economic Offence wing. According to the management representation the complaint has been filed for Rs 5,53,17,906 which is shown in Other Current Financial Assets which is claimed to have been fraudulently transferred by merchant banker and other.*

*The case is not resolved yet. However Economic Offence Wing( EOW) has considered this as civil matter and company is planning to take further course of action in this matter.*

*We therefore take no responsibility of correctness of the said figure and Other figures which can be affected by it.*

### Key Audit Matters

Sr No	Key Audit Matters	How Our Audit addressed the Key Audit Matter
1	Revenue Recognition	The company has trading income and interest income. We have verified the basis of recognition of sale transaction and for interest income the basis of interest calculation has been verified with consistency.
2	Recoverability of the balance of debtors.	The validation of the transaction and party confirmations have been verified. In some cases confirmations not available.

### Other Information

The company's management and board of directors are responsible for the other information. The other information comprises Board's Report on corporate governance and Business Responsibility report but does not include the consolidated financial statements, standalone financial statement and our auditor's report thereon.

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

In connection with our audit of 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 procedures or otherwise appear 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 on that fact. We have not been provided with any such information and therefore we are not in a position to comment on the same.

### 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss, cash flows of the Company in accordance with the accounting principles generally accepted in India, prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 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.

Board of directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether 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 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these standalone financial statements.

As a 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 risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risk, and obtain 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 omission, misrepresentation, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedure 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 control 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 the 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 standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) Except as specified in the Basis of Disclaimer of Opinion Para, 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) Except as specified in the Basis of Disclaimer of Opinion Para, 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, Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) Except as specified in basis of disclaimer para, In our opinion, the aforesaid standalone AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- (e) We have not received any written representation from the directors as on 31<sup>st</sup> March 2019 and therefore we are not in position to confirm whether any of the directors is disqualified as on 31<sup>st</sup> March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
- (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 litigations are disclosed as and when required.
  - 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 and

Date: 12/02/2020  
Place: Ahmedabad

For M A A K & Associates  
(Chartered Accountants)  
FRN :135024W

Marmik G Shah  
Partner  
M. No.: 133926

**KIDS MEDICAL SYSTEMS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2019**

Particulars		Note No.	As at 31st March 2019	As at 31st March 2018
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
(a)	Share Capital	2	70,910,990	70,910,990
(b)	Reserves and Surplus	3	1,488,693	40,298,434
2	<b>Non-current liabilities</b>			
(a)	Long-term Borrowings		-	-
(b)	Deferred tax liabilities (Net)		-	-
(c)	Other Current Liabilities		-	-
(d)	Long term Provision		-	-
3	<b>Current liabilities</b>			
(a)	Short-term Borrowings	4	3,701,333	2,999,555
(b)	Trade payables	5	680,396	530,432
(c)	Other Current Liabilities	6	1,185,645	315,152
(d)	Short-term Provisions	7	300,000	300,000
	<b>TOTAL</b>		<b>78,267,057</b>	<b>115,354,562</b>
II.	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
(a)	Proprety,Plant and Equipment			
(i)	Tangible assets	8	5,116,145	5,116,145
(ii)	Intangible Assets		-	-
(iii)	Intangible Assets under development		-	-
(iv)	Capital Work in Progress		-	35,409,934
	Less: Accumulated Depreciation		3,262,249	3,262,249
	Net Block		1,853,896	37,263,829
(b)	Long-term Loans and Advances	9	700,113	650,350
(c)	Other Non Current Assets	10	1,375,253	1,344,749
(d)	Deferred tax Asset(Net)		110,010	110,010
2	<b>Current assets</b>			
(a)	Inventories	11	-	1,965,200
(b)	Trade Receivables	12	2,233,486	2,233,486
(c)	Cash and Cash Equivelants	13	1,904,455	2,564,569
(d)	Short-term Loans and advances	14	70,089,844	69,222,369
	<b>TOTAL</b>		<b>78,267,057</b>	<b>115,354,562</b>

Accounting Policies & Notes on Accounts

1

As per our Report on Even date attached

FOR KIDS MEDICAL SYSTEMS LIMITED

FOR M A A K & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Regn.No.135024W

CA.MARMIK G. SHAH

Partner

Mem.No:133926

UDIN:- 20133926AAAABF4480

Place:-Ahmedabad

Date:- 12/02/2020

Pallavi A. Dam

Din: 03514501

CFO & Director

Anirvan A. Dam

Din: 03031807

Managing Director

Date:12/02/2020

**KIDS MEDICAL SYSTEMS LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019**

Particulars		Note No.	For the year ended 31 march 2019	For the year ended 31 march 2018
I.	Revenue from operations	15	3,418,995	5,131,616
II.	Other Income	16	10,866	388,921
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>3,429,861</b>	<b>5,520,537</b>
IV.	Expenses:			
	Cost of Consumables	17	2,186,506	774,302
	Increase/(Decrease) in Stock		-	-
	Employee benefits expense	18	2,414,890	3,267,608
	Finance Costs	19	79,668	545,477
	Depreciation and amortization expense	20	-	442,457
	Other expenses	21	2,148,604	3,343,833
	Total expenses		<b>6,829,668</b>	<b>8,373,677</b>
<b>V.</b>	<b>Profit before tax and Exceptional item (VII- VIII)</b>		<b>-3,399,807</b>	<b>-2,853,140</b>
	Prior Period Items	22	-	-
	<b>Profit Before Tax</b>		<b>-3,399,807</b>	<b>-2,853,140</b>
VI	Tax expense:			
	(1) Current tax			-
	(2) Deferred tax			-
<b>VII</b>	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>-3,399,807</b>	<b>-2,853,140</b>
VIII	Earnings per equity share:			
	(1) Basic			-
	(2) Diluted			-

Accounting Policies & Notes on Accounts  
As per our Report on Even date attached  
**FOR M A A K & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Regn.No.135024W

1

**FOR KIDS MEDICAL SYSTEMS LIMITED**

**CA.MARMIK G. SHAH**  
Partner

Mem.No:133926

UDIN:- 20133926AAAAABF4480

Place:-Ahmedabad

Date:- 12/02/2020

Pallavi A. Dam

Din: 03514501

**CFO & Director**

Anirvan A. Dam

Din: 03031807

**Managing Director**

Date: 12/02/2020

**KIDS MEDICAL SYSTEMS LIMITED**

**Cash Flow Statement for the year ended 31st March 2019**

Sr. No.	Particulars	F.Y. 2018-19		F.Y. 2017-18	
		Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)	Amount (In Rs.)
A.	Cash flow from Operating Activities				
	Net Profit Before tax as per Statement of Profit & Loss		(3,399,807)		(2,853,140)
	Adjustments for :				
	Depreciation & Amortisation Exp.	-		442,457	
	Stamp duty for Increase in Capital	-		-	
	Dividend Income	-		-	
	Interest Income	(10,866)		(385,621)	
	Preliminary Exp. W/off	-		668,188	
	Finance Cost	79,668	68,802	545,477	1,270,501
	Operating Profit before working capital changes		(3,331,005)		(1,582,639)
	Changes in Working Capital				
	Trade receivable	-	-	(116,465)	-
	Other Loans and advances receivable	(867,475)	-	(68,015,287)	-
	Inventories	1,965,200	-	102,008	-
	Trade Payables	149,964	-	(24,379,307)	-
	Other Current Liabilites	870,493	-	(1,048,626)	-
	Short term Provisions	-	-	150,000	-
			2,118,182		(93,307,677)
	Net Cash Flow from Operation		(1,212,823)		(94,890,315)
	Tax Paid		-		4,394.00
	Net Cash Flow from Operating Activities (A)		(1,212,823)		(94,894,709)
B.	Cash flow from investing Activities				
	Purchase of Fixed Assets	-	-	(10,612,001)	
	Sale of Fixed Assets	-	-	-	
	Purchase of Investment	-	-	-	
	Sale / Redemption of Investment	-	-	-	
	Movement in Other Non Current Assets	(30,504)	-	-	
	Movement in Loan & Advances	(49,763)	-	(530,050)	
	Interest Income	10,866	-	385,621	
			(69,401)		(10,756,430)
	Net Cash Flow from Investing Activities (B)		(69,401)		(10,756,430)

C.	Cash Flow From Financing Activities				
	Proceeds From Issue of shares capital	0		107,201,258	
	Short Term Borrowing (Net)	701,778		(3,000,445)	
	Interest Paid	(79,668)		(545,477)	
	Dividend paid ( Including DDT)	0	622,110	0	103,655,336
	Net Cash Flow from Financing Activities (C)		<b>622,110</b>		<b>103,655,336</b>
D.	Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)		(660,114)		(1,995,804)
E.	Opening Cash & Cash Equivalents		2,564,569		4,560,373
F.	Cash and cash equivalents at the end of the period		<b>1,904,455</b>		<b>2,564,569</b>
G.	Cash And Cash Equivalents Comprise :				
	Cash		1,866,818.82		1,861,018.82
	Bank Balance :				
	Current Account		37,636.30		703,550.33
	Deposit Account				-
	Total		<b>1,904,455</b>		<b>2,564,569</b>
<b>Accounting Policies &amp; Notes on Accounts</b> <b>As per our Report on Even date attached</b> <b>FOR M A A K &amp; ASSOCIATES</b> <b>CHARTERED ACCOUNTANTS</b> <b>Firm Regn.No.135024W</b>  <b>CA.MARMIK G. SHAH</b> <b>Partner</b> <b>Mem.No:133926</b> <b>UDIN:-20133926AAAABF4480</b>  <b>Place:-Ahmedabad</b> <b>Date:- 12/02/2020</b>					
<b>FOR KIDS MEDICAL SYSTEMS LIMITED</b>  <div> Pallavi A. Dam  Din: 03514501  <b>CFO &amp; Director</b> </div> <div> Anirvan A. Dam  Din: 03031807  <b>Managing Director</b> </div>					
<b>Date:- 12/02/2020</b>					

**Note 2 SHARE CAPITAL**

<b><u>Share Capital</u></b>	<b>As at 31st March 2019</b>		<b>As at 31st March 2018</b>	
			<b>Number</b>	<b>Amt. Rs.</b>
<b><u>Authorised</u></b>				
Equity Shares of Rs. 10 each	7,100,000	71,000,000	7,100,000	71,000,000
<b><u>Issued</u></b>				
Equity Shares of Rs. 10 each	7,091,099	70,910,990	7,091,099	70,910,990
<b><u>Subscribed &amp; Paid up</u></b>				
Equity Shares of Rs. 10 each fully paid	7,091,099	70,910,990	7,091,099	70,910,990
<b>Total</b>	<b>7,091,099</b>	<b>70,910,990</b>	<b>7,091,099</b>	<b>70,910,990</b>

**Note 2.1 RECONCILIATION OF NUMBER OF SHARES**

<b>Particulars</b>	<b>Equity Shares</b>		<b>Equity Shares</b>	
	<b>Number</b>	<b>Amt. Rs.</b>	<b>Number</b>	<b>Amt. Rs.</b>
Shares outstanding at the beginning of the year	7,091,099	70,910,990	12,107	121,070
Shares Issued during the year	-	-	7,078,992	70,789,920
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	7,091,099	70,910,990	7,091,099	70,910,990

**Note 2.2 Details of Shares held by shareholders holding more than 5% of the aggregate shares in the co.**

<b>Name of Shareholder</b>	<b>As at 31st March 2019</b>		<b>As at 31st March 2018</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Pallavi Dam	1,188,107	16.75	1,188,107	16.75
Anirvan Dam	1,025,728	14.47	1,025,728	14.47
kishor Gokhru	909,664	12.83	909,664	12.83



**Note 3 RESERVE AND SURPLUS**

Particulars	As at 31st March 2019	As at 31st March 2018
A. Securities Premium Account		
Opening Balance	64,725,842	26,316,430
Add : Securities premium credited on Share issue		88,679,040
Less : Premium Utilised for various reasons		
Less:- For Issuing Bonus Shares	-	49,268,700
Less:- Stamp Duty paid on issue of capital	-	1,000,928
Closing Balance	64,725,842	64,725,842
B. Surplus		
Opening balance	- 24,427,408	- 21,574,268
(+) Net Profit/(Net Loss) For the current year	- 3,399,807	- 2,853,140
(-) Written Off of Business Development	-	-
(-) Written Off of Capital Work in progress	- 35,409,934	
Closing Balance	- 63,237,149	- 24,427,408
<b>Total</b>	<b>1,488,693</b>	<b>40,298,434</b>

**Note 4 SHORT TERM BORROWINGS**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Secured</b>		
<b>(a) Working Capital Loans</b>		
<b>Sub-total (a)</b>	-	-
<b>Unsecured</b>		
<b>(a) Loan Repayable on demand</b>		
Loans & Advances from Promoters/Promotor Group/Group Companies From Promoters/ Director	-	-
<b>(b) Others</b>	3,701,333	2,999,555
<b>Sub-total (b)</b>	3,701,333	2,999,555
1. Period of default		
2. Amount		
<b>Total</b>	<b>3,701,333</b>	<b>2,999,555</b>

**Note 5 TRADE PAYABLES**

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Micro, Small and Medium Enterprise	-	-
(b) Others	680,396	530,432
<b>Total</b>	<b>680,396</b>	<b>530,432</b>

**Note 6 OTHER CURRENT LIABILITIES**

Particulars	As at 31st March 2019	As at 31st March 2018
(i) Current maturities of Short Term Debt (i.e. Term Liability classified as current)	-	-
(ii) Statutory Remittance		
(i) GST Payable	792,980	-
(ii) TDS Payable	392,665	315,152
(iii) Service Tax Payable	-	-
(iii) Advanced from Customer	-	-
<b>Total</b>	<b>1,185,645</b>	<b>315,152</b>

**Note 7 SHORT TERM PROVISIONS**

Particulars	As at 31st March 2019	As at 31st March 2018
Provision For		
(a) Employee benefits	-	-
(i) Contribution to PF	-	-
(ii) Bonus Payable	-	-
(b) Others (Specify nature)		
(i) Electricity Expense.		-
(ii) Audit Fees	300,000	300,000
(iii) Income Tax	-	-
<b>Total</b>	<b>300,000</b>	<b>300,000</b>

**Note 8 : Property Plant & Equipment**

	Fixed Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION					NET BLOCK	
		Balance as at 01/04/2018	Addition	Disposal/Adj ustment	Balance as on 31/03/2019	Balance as at 01/04/2018	Amount charged to Reserves	Depreciation Charge for the Year	Deduction/ Adjustmen ts	Balance as on 31/03/2019	Balance as on 31/03/2018	Balance as on 31/03/2019
<b>A</b>	<b>Tangible Assets</b>											
	Building	1,896,385	-	-	1,896,385	680,827	-		-	680,827	1,215,558	1,215,558
	Furniture and Fixtures	1,747,118	-	-	1,747,118	1,226,108	-		-	1,226,108	521,010	521,010
	Office Equipment	596,132	-	-	596,132	554,164	-		-	554,164	41,968	41,968
	Computer	876,510	-	-	876,510	801,150	-		-	801,150	75,360	75,360
<b>B</b>	<b>Capital WIP for Expansion</b>	35,409,934	-	-	35,409,934	-	35,409,934	-	-	-	35,409,934	-
	<b>TOTAL</b>	<b>40,526,079</b>	<b>-</b>	<b>-</b>	<b>40,526,079</b>	<b>3,262,249</b>	<b>35,409,934</b>	<b>-</b>	<b>-</b>	<b>3,262,249</b>	<b>37,263,830</b>	<b>1,853,896</b>
	<b>PREVIOUS YEAR</b>	<b>29,924,547</b>	<b>10,601,532</b>	<b>-</b>	<b>40,526,079</b>	<b>2,819,792</b>	<b>-</b>	<b>442,457</b>		<b>3,262,249</b>	<b>37,263,830</b>	<b>27,104,755</b>

**Note 9 LONG TERM LOANS AND ADVANCES**

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured and Considered Good)		
a. Security Deposits	700,113	650,350
Other Loans & Advances	-	-
<b>Total</b>	<b>700,113</b>	<b>650,350</b>

**Note 10 OTHER NON CURRENT ASSETS**

Particulars	As at 31st March 2019	As at 31st March 2018
Other	9,131	-
Preliminary Expense	1,366,122	1,344,749
Advance to Creditors	-	-
<b>Total</b>	<b>1,375,253</b>	<b>1,344,749</b>

**Note 11 INVENTORIES**

Particulars	As at 31st March 2019	As at 31st March 2018
a. Mediciens & Vaccine (Valued At Lower of Cost or NRV)	-	1,965,200
<b>Total</b>	<b>-</b>	<b>1,965,200</b>

**Note 12 TRADE RECEIVABLES**

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured and Considered Good)		
Over Six Months	2,233,486	2,233,486
Others	-	-
<b>Total</b>	<b>2,233,486</b>	<b>2,233,486</b>

**Note 13 CASH AND CASH EQUIVALENTS**

Particulars	As at 31st March 2019	As at 31st March 2018
a. Balances with banks		
HDFC Bank Ltd - 61271	800	51,032
HDFC Bank Ltd- 5128	29,845	44,656
HDFC Bank Ltd-9852	- 883	- 883
Union Bank of India-50548	- 300,000	-
Axis Bank -7031	230	230
Axis Bank -92048	7,622	18,493
United Bank of India	300,023	590,023
b. Cash on hand	1,866,819	1,861,019
<b>Total</b>	<b>1,904,455</b>	<b>2,564,569</b>

**Note 14 SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31st March 2019	As at 31st March 2018
a. Balance with Government Authorities	638,446	237,399
b. Secured Deposit	-	-
c. Others (specify nature)		
Advances for Property	11,639,524	11,639,524
Advances for Suppliers	143,679	143,679
Advance for others- Under Dispute	55,317,906	55,317,906
Advance for others	816,702	877,102
Advances for Expenses	1,533,587	1,006,759
<b>Total</b>	<b>70,089,844</b>	<b>69,222,369</b>

**Unsecured Loans**

Digestive Health Institute by Dr. Muffi Pvt. Ltd.	2,000,000	2,000,000
New Growth loan	-	1,660
HDFC Business Loan	854,129	-
Pallavi Dam	847,204	997,895
Ecoviz		-
<b>Total</b>	<b>3,701,333</b>	<b>2,999,555</b>

**TDS Payables**

TDS Payables- (Karuna Nikam)	61,785	-
TDS Payables- Professional Expense. - NIND	8,851	-
TDS Payables- On Rent	70,540	-
TDS Payables- Salary	251,489	-
<b>Total</b>	<b>392,665</b>	<b>-</b>

**Trade Payables**

Saurabh Yadav	5,000	-
Anirav Dam	373,500	316,500
Alpesh Dhandhlya	-	
Ashokkumar	54,000	54,000
BSNL	5,305	5,305
MAAK & Associates	163,500	-
Sara Enterprise	28,200	103,736
Shreeji enterprise	50,891	50,891
<b>Sub Total</b>	<b>680,396</b>	<b>530,432</b>

**For Other Expenses**

	-	-
<b>Total</b>	<b>680,396</b>	<b>530,432</b>

**Advance to Creditors**

Credit Card Payment	-	-
Nipa Shah	-	-
Kansan Communication Pvt Ltd	-	-
Pravin	-	-
Ramesh Iyer	-	-
Samar Ghosh	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Trade Receivable****More than Six Months**

Amazon Transport Ltd	44,456	44,456
Arjun L	61,875	61,875
Aryaman Newakar	175,640	175,640
Aryman Choudhry	180,760	180,760
Atharva Patil	189,100	189,100
Baby of Manjula	65,370	65,370
Krishna Vaiyata	192,670	192,670
Maria Shaikh	60,150	60,150
Meher	198,670	198,670
Parth	187,680	187,680
Renisha	198,680	198,680
Siddharth Chowdhry	193,650	193,650
Sneha	181,105	181,105
Suhas Pant	58,795	58,795
Suryansh Naidu	55,965	55,965
Vaiyatta Jia	188,920	188,920
<b>Total</b>	<b>2,233,486</b>	<b>2,233,486</b>

**Less than Six Months**

	-	-
<b>Total</b>	<b>2,233,486</b>	<b>2,233,486</b>



**Balance with Govt. Authorities**

TDS Receivable (16-17)	1,214	1,214
TDS Receivable (17-18)	4,394	4,394
TDS Receivable (18-19)	153,531	
GST Receivable	479,307	231,791
<b>Total</b>	<b>638,446</b>	<b>237,399</b>

**Loan & Advances**

Festino Vincome Limited	5,000,000	5,000,000
Jackpot Vintrade Pvt. Ltd.	28,500,060	28,500,060
Kishor Gorkhu	816,702	877,102
Lydia Construction Pvt. Ltd.	8,139,546	8,139,546
Mayur bhai	6,678,300	6,678,300
Miker Financial Consultancy Ltd.	2,000,000	2,000,000
Money Management	5,000,000	5,000,000
<b>Total</b>	<b>56,134,608</b>	<b>56,195,008</b>

**Security Deposits**

Ashokkumar Rent Deposit	177,000	177,000
Bank Guarantee	300,000	300,000
CDSL	61,563	11,800
Electricity Deposit	10,300	10,300
Kalpana Mundra Rent Deposit	-	40,000
NSDL	12,980	12,980
Rameshbhai Patel (office Rent Deposit)	40,000	-
Rent Deposit (Mumbai)	67,270	67,270
Rajendra A Kharche Rent deposit	31,000	31,000
<b>Total</b>	<b>700,113</b>	<b>650,350</b>

**Advances for Property**

Anirav	5,777,134	5,777,134
Pallavi Dam	1,695,490	1,695,490
Timir	4,166,900	4,166,900
<b>Total</b>	<b>11,639,524</b>	<b>11,639,524</b>

**Advances for Expenses**

Harjit(impress)	91,112	50,899
Harjit Kumar	1,222,701	683,701
Karuna Nikam	27,808	27,808
Kidsscentria	50,000	50,000
Pravin Kumar	-	52,385
Samar Ghosh	42,372	42,372
Lovkesh	24,000	24,000
Sanjay Shah Motera	75,594	75,594
<b>Total</b>	<b>1,533,587</b>	<b>1,006,759</b>

**Advances for Suppliers**

Shah Vaccines	143,679	143,679
<b>Total</b>	<b>143,679</b>	<b>143,679</b>

**Note 15 REVENUE FROM OPERATIONS**

Particulars	For the year ended 31 march 2019	For the year ended 31 march 2018
Sale of Services	3,418,995	5,131,616
<b>Total</b>	<b>3,418,995</b>	<b>5,131,616</b>

**Note 15.1 PARTICULARS OF SALE OF SERVICES**

Particulars	For the year ended 31 march 2019	For the year ended 31 march 2018
Healthcare Management Services	3,418,995	5,131,616
<b>Total</b>	<b>3,418,995</b>	<b>5,131,616</b>

**Note 16 OTHER INCOME**

Particulars	For the year ended 31 march 2019	For the year ended 31 march 2018
<b>Interest Income</b>		
Interst Income Of Tax Refund	-	-
Interest Income	10,866	385,621
<b>Total</b>	<b>10,866</b>	<b>388,921</b>

**Note 17 COST OF CONSUMABLES**

Particulars	For the year ended 31 march 2019	For the year ended 31 march 2018
<u>Medicines &amp; Vaccine Cost:</u>		
Opening Stock	1,965,200	2,067,208
Add: Purchase	221,306	672,294
Less: Closing Stock	-	1,965,200
<b>Total</b>	<b>2,186,506</b>	<b>774,302</b>

**Note 18 EMPLOYEE BENEFITS ExpenseS**

Particulars	For the year ended 31 march 2019	For the year ended 31 march 2018
(a) Salaries and Wages	2,414,890	3,267,608
(b) Contributions to Provident Fund & Other Fund	-	-
Provident fund	-	-
(c) Staff welfare Expenses	-	-
<b>Total</b>	<b>2,414,890</b>	<b>3,267,608</b>

**Note 19 FINANCE COST**

Finance Cost	For the year ended 31 march 2019	For the year ended 31 march 2018
(a) Interest Expense :-		
(i) Borrowings	-	413,210
(ii) Interest on TDS	-	36,565
(b) Other borrowing costs	79,668	95,702
<b>Total</b>	<b>79,668</b>	<b>545,477</b>

**Note 20 DEPRECIATION AND AMORTISATION**

Particulars	For the year ended 31 march 2019	For the year ended 31 march 2018
Depreciation Expense	-	442,457
<b>Total</b>	<b>-</b>	<b>442,457</b>

**Note 21 OTHER Expenses**

<b>Particulars</b>	<b>For the year ended 31 march 2019</b>	<b>For the year ended 31 march 2018</b>
<b>Operating Expenses</b>		
Consultancy Charges	780,379	642,008
Electric Power & Fuel	36,222	53,976
Rent Expense	264,200	686,000
Clinic Expense	-	86,308
<b>Establishment Expenses</b>		
Hiring & Recruitment Expenses	69,432	-
Advertisement Expenses	12,429	28,986
Travelling Expense	115,918	131,662
Legal Fees	79,503	122,472
Payment To auditor	150,000	150,000
Printing & Stationery Expense	2,000	10,378
Repairs & Maintainance	47,620	37,160
Telephone Expense	53,344	111,399
Office Expense	47,869	99,095
Preliminary Expense W/off	-	668,188
Marketing Expense	268,030	146,272
Miscellaneous Expense	221,658	369,929
<b>Total</b>	<b>2,148,604</b>	<b>3,343,833</b>

**Note 21.1 PAYMENT TO AUDITORS AS:**

<b>Particulars</b>	<b>For the year ended 31 march 2019</b>	<b>For the year ended 31 march 2018</b>
a. auditor	150,000	100,000
b. for taxation matters	-	35,000
c. for company law matters	-	-
d. for other services	-	15,000
e. for reimbursement of Expenses	-	-
<b>Total</b>	<b>150,000</b>	<b>150,000</b>

**Note 22 Prior Period Items**

<b>Particulars</b>	<b>For the year ended 31 march 2019</b>	<b>For the year ended 31 march 2018</b>
Depreciation Rectification	-	-
Other	-	-
<b>Total</b>		-

**Salaries & Wages**

Salary & Bonus Expense	2,414,890	3,267,608
<b>Total</b>	<b>2,414,890</b>	<b>3,267,608</b>

**Other Borrowings**

Bank Charges	35,948	61,915
Interest Expense	43,720	33,787
<b>Total</b>	<b>79,668</b>	<b>95,702</b>

**Repairs & Maintenance**

Building Repair Expense	-	-
Clinic Repairing Expense	-	-
Others	47,620	37,160
<b>Total</b>	<b>47,620</b>	<b>37,160</b>

**Rates & Taxes**

Municipal Tax Expense	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Legal fees**

IPO Expense	-	119,272
Legal Fees	79,503	3,000
Stamp Duty	-	200
<b>Total</b>	<b>79,503</b>	<b>122,472</b>

**Consultancy Charges**

Consultancy Charges	740,648	642,008
Legal Expense	5,550	-
BSE Fees Expense	34,181	
<b>Total</b>	<b>780,379</b>	<b>642,008</b>

**Mis Expense**

Medicine Expense	-	48,358
Software Expense	2,000	33,500
Computer Expense	12,448	83,346
Courier & Postage Expense	-	2,388
EDC On Sales Charges	767	9,301
EDC Rent Expense	-	14,393
EIP Event Expense	-	21,040
Municipal Tax	-	19,493
Diwali Expense	-	14,000
Tea & Refreshment Expense	-	15,660
Tata Sky	-	1,100
Internet Expense	9,700	-
Round Off	-	1
Other Expense	186,743	94,500
Website Expense	10,000	12,850
<b>Total</b>	<b>221,658</b>	<b>369,929</b>



## FORM OF PROXY

(Form MGT-11)

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

### KIDS MEDICAL SYSTEMS LIMITED

(CIN L85110GJ2013PLC075191)

Reg. Office: F-806, Titanium City Center, Near Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad GJ 380015 India  
Email: pallavi.dam@thekidsclinic.in Website: www.thekidsclinic.in Phone: [079-48989930](tel:079-48989930),

<b>Name of the Member(s)</b>	:
<b>Registered Address</b>	:
<b>E-mail ID</b>	:
<b>Folio No. / Client ID</b>	:
<b>DP ID</b>	:

I/We, being the member(s) of \_\_\_\_\_ shares of the Company, hereby appoint:

1. Name : \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;
2. Name : \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;
3. Name : \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **6<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held on **Friday, March 6, 2020 at 02:00 P.M.** at F-806, Titanium City Center, Near Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad GJ 380015 India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt:

The Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon;

2. To appoint a Director in place of Mrs. Pallavi Anirvan Dam (DIN: 03514501) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of M/s. M A A K & ASSOCIATES, Chartered Accountants (FRN No.:135024W) as Auditor of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

Signed this..... day of.....  
2020

Affix  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

**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. For the Resolutions, and Notes, please refer to the Notice of the Annual General Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten per cent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten per cent (10%) 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 person or shareholder.
4. The Member may vote either for or against each resolution. It is optional\* to put a '√' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote (on poll) at the meeting in the manner as he/she thinks appropriate.
5. Proxy need not be a Member of the Company and shall prove his identity at the time of attending the Meeting.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. Please complete all details including details of member(s) in above box before submission. This form of proxy will be valid only if it is duly complete in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid. Undated proxy form will not be considered valid.
8. Appointing a proxy does not prevent a member from attending the Annual General Meeting in person if he / she so wishes.
9. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

**\*\* Kindly cancel the Revenue Stamp after affixing the same.**

Attendance Slip of Annual General Meeting

**KIDS MEDICAL SYSTEMS LIMITED**

Reg. Office: F-806, Titanium City Center, Near Sachin Tower, Anand Nagar  
Road, Satellite, Ahmedabad Gujarat 380015 India

(CIN L85110GJ2013PLC075191)

ATTENDANCE SLIP of 6<sup>th</sup> Annual General Meeting, Friday, 6<sup>th</sup> March, 2020 at 02.00 p.m. Regd. Folio No.\_\_\_\_\_/DP ID\_\_\_\_\_  
Client ID/Ben. A/C\_\_\_\_\_  
No. of shares held\_\_\_\_\_ I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 6<sup>th</sup> Annual General Meeting of the Company on Friday, 6<sup>th</sup> March, 2020 at 2.00 p.m.at F-806, Titanium City Center, Near Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad Gujarat 380015 India.

\_\_\_\_\_  
Member's/Proxy's name  
(in Block Letters)

\_\_\_\_\_  
Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

**KIDS MEDICAL SYSTEMS LIMITED**

(CIN L85110GJ2013PLC075191)

Reg. Office: F-806, Titanium City Center, Near Sachin Tower, Anand Nagar  
Road, Satellite, Ahmedabad, Gujarat-380015 India

Email: [pallavi.dam@thekidsclinic.in](mailto:pallavi.dam@thekidsclinic.in) Website: [www.thekidsclinic.in](http://www.thekidsclinic.in) Phone: [079-48989930](tel:079-48989930),

**ATTENDANCE SLIP**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING  
HALL

Joint shareholders may obtain additional Slip at the venue of Meeting

<b>DP ID*</b>		<b>Folio No.</b>	
<b>Client ID</b>		<b>No. of Shares</b>	

NAME AND ADDRESS OF THE SHAREHOLDER

---

---

---

I hereby record my presence at the **6<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held on **Friday, 6<sup>th</sup> March, 2020 at 02.00 P.M** at F-806, Titanium City Center, Near Sachin Tower, Anand Nagar Road, Satellite, Ahmedabad Gujarat-380015 India.

\* Applicable for investors holding shares in electronic form

\_\_\_\_\_  
Signature of Shareholder / Proxy