

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

[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

3rd Floor, Chinubhai House, 7-B, amrutbag colony, opp. Hindu Colony,
Navrangpura Navjivan, Ahmedabad, Ahmadabad City, Gujarat, India,
380014.

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 2024** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has **no** 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 2024** 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. **During the Audit period, the AGM for the Financial Year 2022-23 was falling, however, the same has not been held in due time by the Company within time period as per the requirement of the section 96 of the Companies Act, 2013 and Rules made thereunder;**
2. **During the audit period, the Company has not any Financial Results with the Stock Exchange as per the requirement of the Regulation 44 of the SEBI (LODR), 2015.**
3. **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).**
4. **The company has delayed in paying the listing fees as per regulation 14 of SEBI (LODR) Regulation, 2015 to the Stock Exchange for the F.Y. 2022-23.**
5. **During the Audit Process it was found that there were no records showing timely submission of the necessary quarterly, half yearly filing with the Stock exchange as per listing agreement;**



6. *During the period under review, the Company has not appointed Internal Auditor as per the requirement of section 138 of the Companies Act, 2013*
7. *The company does not have requisite number of Independent Directors in its Board's composition as per Reg.17 of the SEBI (LODR) Regulation, 2015.*
8. *The Composition of the Directors of the Audit Committee is not as per Reg. 18 of SEBI (LODR) Regulation, 2015.*
9. *The Composition of the Directors of the Nomination and remuneration Committee is not as per Reg. 19 of SEBI (LODR) Regulation, 2015.*
10. *The Composition of the Directors of the Stakeholder relationship Committee is not as per Reg. 20 of SEBI (LODR) Regulation, 2015.*
11. *The website of the company is not as per the compliances under Regulation 46 of SEBI (LODR) Regulation, 2015.*
12. *The Company is under suspended status with BSE Limited. [After the Audit Period the company has commenced proceeding to seek revocation of suspension with BSE Limited]*

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: **NIL.**

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 **NOT** duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Based upon the Management Representation given by the Board of Directors of the Company, I would like to report that an 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.

Based upon the Management Representation given by the Board of Directors of the Company, I would like to report that 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.

I further report that although this is not falling within our audit period as before the signing date of the audit report I would like to inform to the members of the company that the company has initiated the process for revocation of its suspension from BSE Limited

Place: Ahmedabad

Date: 18/02/2025

**FOR, PALIWAL & CO.
COMPANY SECRETARIES**



**CS ALPESH PALIWAL
(PROPRIETOR)**

CP NO. 12119

UDIN: A032500F003956244

To,
The Members,
KIDS MEDICAL SYSTEMS LIMITED
3rd Floor, Chinubhai House, 7-B, amrutbag colony, opp. Hindu Colony,
Navrangpura Navjivan, Ahmedabad, Ahmadabad City, Gujarat, India,
380014.

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: 18/02/2025

**FOR, PALIWAL & CO.
COMPANY SECRETARIES**



**CS ALPESH PALIWAL
(PROPRIETOR)**

CP NO. 12119

UDIN: A032500F003956244