

2014

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28th Annual Report 2013 - 14

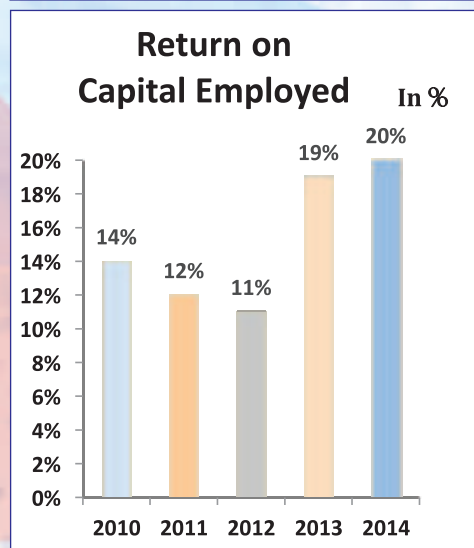
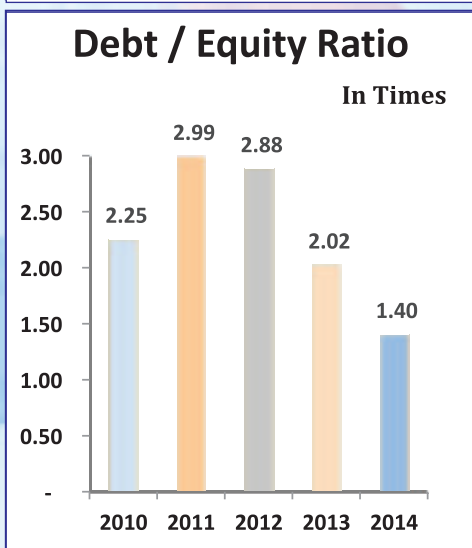
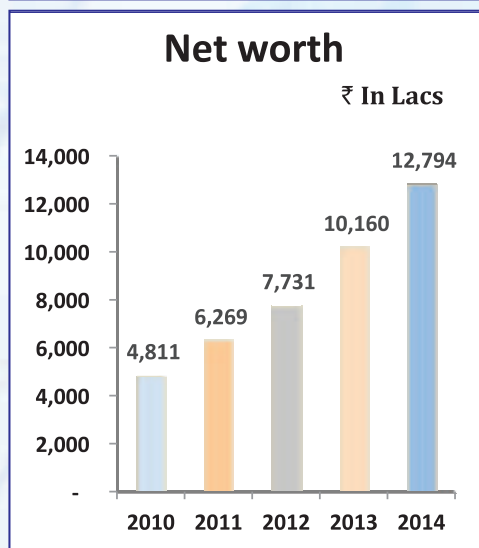
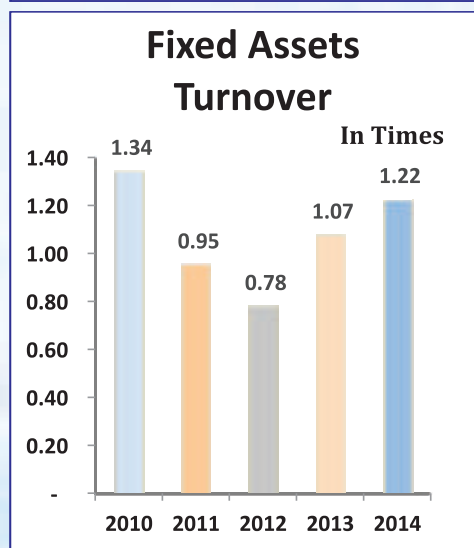
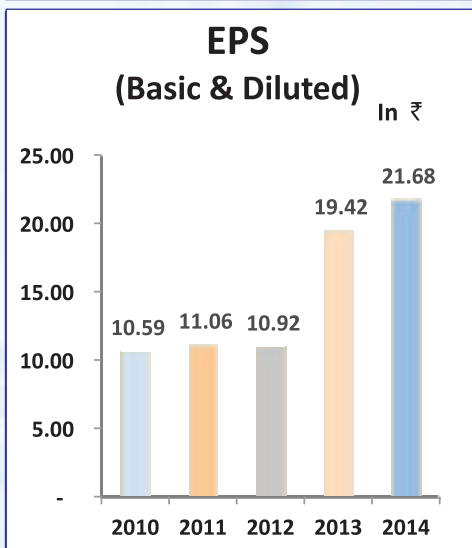
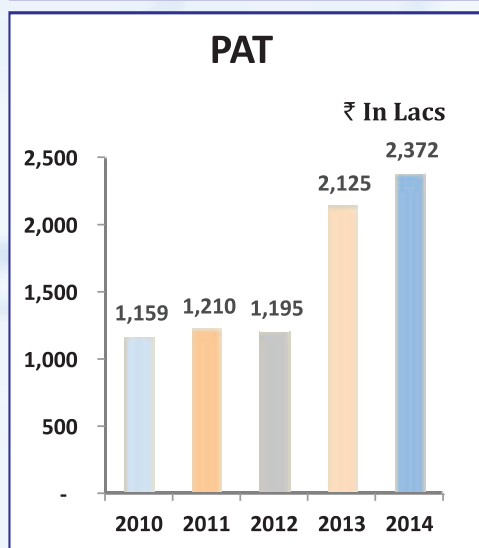
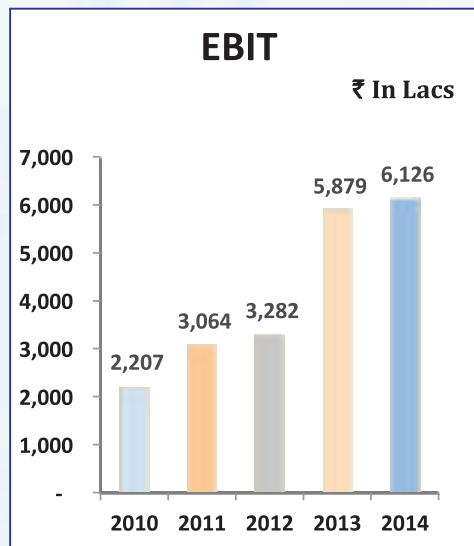
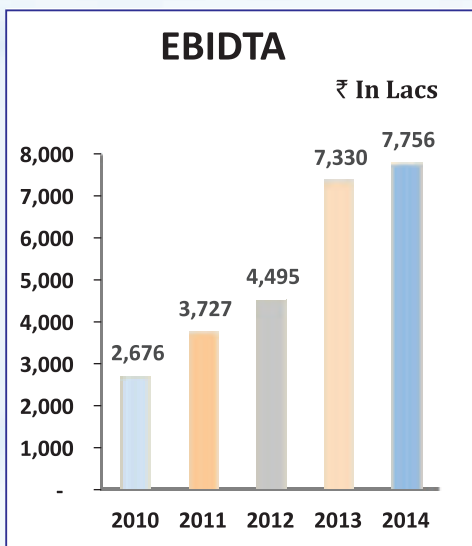
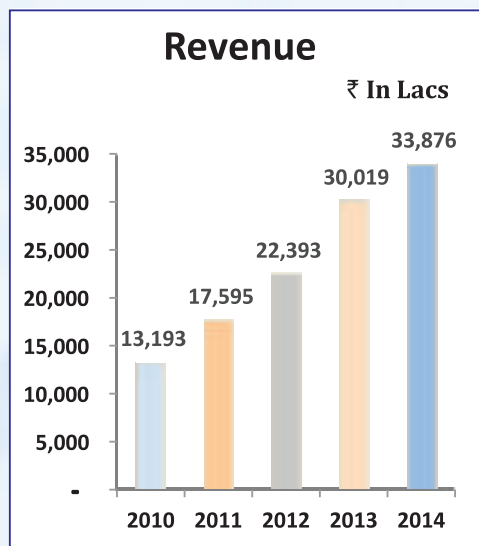


**KOVAI MEDICAL CENTER AND HOSPITAL LIMITED**

Excellence in Healthcare



# 5 Years Graphical Representation





## BOARD OF DIRECTORS

### **Dr. Nalla G Palaniswami**

Chairman and Managing Director

### **Dr. Thavamani Devi Palaniswami**

Vice Chairman and Joint Managing Director

### **Dr. Mohan S Gounder**

Joint Managing Director

### **Mr. Kasi K Goundan**

Director

### **Dr. M. Manickam**

Director

### **Dr. K.S.K. Murugaiyan**

Director

### **CA. A.M. Palanisamy**

Director

### **Dr. P.R. Perumalswami**

Director

### **Dr. M.C. Thirumoorthi**

Director

### **Mr. A.K. Venkatasamy**

Director

### **Mr. K. Saminathan**

Director

### **Dr. M.A. Muthusethupathi**

Director

### **Dr. S. Krishnasamy**

Director

(Alternate to Dr. P.R. Perumalswami)

### **CA. P.K. Gopikrishnan**

Chief Financial Officer

### **CS. S.P. Chittibabu**

Company Secretary

## **REGISTERED OFFICE & HOSPITAL COMPLEX**

Post Box No. 3209, Avanashi Road  
Coimbatore - 641 014

CIN No : L85110TZ1985PLC001659

Tel : +91 - 422 - 4323800, 3083800

Fax : +91 - 422 - 4270639

E-mail : [secretarialdept@kmchhospitals.com](mailto:secretarialdept@kmchhospitals.com)  
[accounts@kmchhospitals.com](mailto:accounts@kmchhospitals.com)

Website : [www.kmchhospitals.com](http://www.kmchhospitals.com)

## **AUDITORS**

### **M/s Haribhakti & Co.,**

Chartered Accountants

Coimbatore - 641 012

## **REGISTRAR & SHARE TRANSFER AGENT**

### **GNSA Infotech Limited**

STA Department

Nelson Chambers

F-Block, 4<sup>th</sup> Floor

No.115 Nelson Manickam Road

Aminjekarai

Chennai - 600 029

Phone : + 91-44-42962025

Email : [sta@gnsaindia.com](mailto:sta@gnsaindia.com)

## **BANKERS**

Indian Bank

Indian Overseas Bank

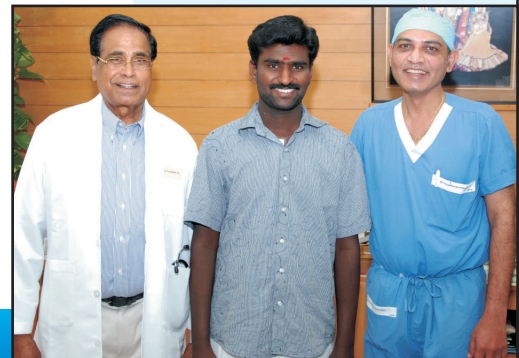


## KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

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28th Annual Report



# KMCH “The Undisputed Leader”

## BEYOND BARRIERS

Last year, we ended the annual report mentioning our desire to start liver transplant and a world-class cardiac center. Both the dreams became a reality. Dr. Prashant Vaijyanath, a cardiac surgeon of international repute, was recruited as Director, Cardiovascular and Thoracic Surgery. His capabilities has transformed the face of cardiac surgery in the region. The joining of Dr. Olith Selvan and Dr. Magnus Jayaraj Mansard on the other hand enabled us to start liver transplant surgery.

## CARDIAC TRANSPLANT AT KMCH

Although cardiac transplant has been around for more than four decades, hardly two cities viz. New Delhi and Chennai have been able to successfully carry out this path-breaking surgery in India. Kovai Medical Center and Hospital created history by performing the first cardiac transplant successfully in Coimbatore for an extremely sick patient. The team headed by Dr. Prashant Vaijyanath was able to transfer the heart from a 45 years old brain dead man to a 24 years old young man in a record time of 45 minutes. The team is confident of starting lung transplant in the near future.

From its inception 25 years ago, KMCH believed in being a benchmark for others to follow. Over the years, the center under the leadership of Dr. Nalla G Palaniswami has attracted some of the best talents available in the medical field in India. In addition, the center believes in updating its technology every few years to ensure that the medical care that a patient receives here is in line with the best centers in the world.





### LIVER TRANSPLANT AT KMCH

KMCH is one of the few centers in India, which is recognized for liver transplant. The Hospital has once again created history by performing the first transplant in Coimbatore.

Dr.Magnus Jayaraj Mansard, Dr.Olith Selvan and a team of competent liver transplant doctors have successfully completed several liver transplants. The team is confident of starting a live liver transplant program next year.

**“Whether it is an one day old infant or a ninety year old patient, KMCH gives a new lease of life through extremely complex cardiac surgeries”**

### COMPLEX CONGENITAL AND ADULT SURGERIES



The team of Dr.Prashant Vaijyanath, Cardiovascular Surgeon, Dr.Devaprasath, Paediatric Cardiologist and Dr.Smitha, Cardiac Anaesthetist, performed the most complex cardiac surgery for infants on several occasions. These children go through complex heart surgeries as they were born with serious congenital heart problem and incidence of low level of oxygen in the blood. The great arteries of these baby's heart were transposed by reversing the position of aorta and the pulmonary artery. Thus, the surgery involved correcting this transposition in a baby where the heart is smaller than a lemon and the main arteries are the size of thin pencils. All the patients have survived and are back home.

Chennai was considered the mecca of cardiac surgery. However, the last year has seen a complete turnaround with KMCH becoming the undisputed leader in cardiac surgery with the capability of performing the simplest to the most complex heart operations.

When it comes to adult cardiac surgery, the team led by Dr.Prashant Vaijyanath introduced several complex cardiac surgeries including the revolutionary technique of total arterial coronary by-pass surgery using both the internal mammary arteries for the first time in Coimbatore. In a rare case, he again created history by putting 9 grafts in a single patient. The surgery is the highest form of cardiac by-pass since these grafts will last close to 15 years when compared to a vein graft, which will close down by 5 years.

The main blood vessel that arises from heart ( Aorta ) can sometimes balloon out to produce an aneurysm. When these occur in the beginning of its origin, surgery can be extremely complex since both the valve and the arteries supplying blood to the heart ( coronary ) have to be replaced along with correcting the abnormal dilatation (Bentals procedure). Today, the Department of Cardiothoracic surgery under its new leadership have performed several of these cases successfully.

## HYBRID SURGERIES FOR AORTIC ANEURYSMS



KMCH has been a pioneer in interventional radiology and has performed non-surgical treatment for complex aneurysms of the aorta. However, this year by joining hands with the cardiothoracic team, they surpassed the level of work that was previously carried out and today emerges as a trend setter and part of one among the three centers in the country performing the most complex form of aortic surgery where the surgical team would first operate to make interventional radiology treatments a feasible option. Thus, complex surgeries like arch, debranching and by-pass of arch vessels were performed in extremely sick patients and further endovascular stent grafts were placed to breathe new life into these otherwise hopeless cases.

## AYURVEDIC WELLNESS CENTER - “RELACHE” AT KMCH



An Ayurvedic Wellness Center in association with Arya Vaidya Pharmacy was inaugurated at KMCH. The ambience and facilities are enviable. KMCH believes that the ancient science of Ayurveda can benefit a lot of patients, especially with chronic ailments but more so as a rejuvenant and relaxation therapy for both the patients and their relatives.

## FROM DEATH TO LIFE

Road traffic accidents in the four lane express way can have devastating results. More than one such patient landed up in KMCH with a tear in the major blood vessel, which at any time could blow up resulting in instant death. The combination of cardiac surgery and interventional radiology and the best of intensive care has made it possible to save the life of these patients. We have raised our benchmark in trauma in line with the best centers in the world. From complex orthopaedic to abdominal trauma, from head injury to injuries to the vessel with a combination of general, neurosurgeons, plastic surgeons, and orthopaedicians, KMCH today offers state of the art care for the trauma around the clock.

## RADIO-EMBOLIZATION

Liver cancer is a fatal disease and most patients are not candidates for surgery by the time they reach the hospital. Radioembolization, a treatment costing more than 10 lakhs, is today considered the goal standard.

The Department of Nuclear Medicine in association with an international agency has now made this treatment cheaper by starting a program where rhenium is used to treat liver cancer. The center has treated more than 20 patients so far.



## MAJOR CONFERENCES

Kovai Medical Center and Hospitals has been a leader in education and as usual has conducted several national and international conferences. The International Endocrine Conference was graced by the leaders of endocrinology and diabetes from across the globe.

The Department of Radiology in association with its counterpart in Massachusetts General Hospital conducted the Conference on Women's Imaging in Oncology. The conference was unique since several of the speakers presented their lectures from the United States through video conferencing.

Dr. Andrew JM Boulton, President of the European Association for the Study of Diabetes ( EASD ) was here to speak at the Diabetic Foot Workshop .

KMCH partnered with the CII in conducting a health summit on Quality in Healthcare - the only way to go.

The South Zone Conference of the Nuclear Medicine Society of India was conducted under the leadership of Dr. Ajith Shinto.



## FIRST OF ITS KIND BREAST CENTER

An one of its kind comprehensive Breast Center was inaugurated at KMCH to ensure patients had a single point of contact for any type of breast disease. The center had lady consultants to perform the initial examination to plan appropriate investigations to increase the comfort level of a lady with a breast disease. The center since its inception has also been actively involved in several breast cancer screening programs. KMCH with its state of the art mammography unit and MRI with the facilities to do PET scanning and comprehensive cancer care is again one of the best centers to manage a full spectrum of breast diseases.



## EMINENT PERSONALITY OF THE DECADE

The Rotary Club of Coimbatore East presented the "Eminent Personality of the Decade" award to Dr. Thavamani Devi Palaniswami, Vice-Chairman and Joint Managing Director of KMCH. The award was given for her community service projects, awareness camps, women development programmes, education related services, environmental conservation and to promote fitness and sports activities. The award recognized her contribution for more than two decades to the cause of education and healthcare in this part of Tamil Nadu.





## NOTICE

NOTICE is hereby given that the **Twenty Eighth Annual General Meeting** of the Members of Kovai Medical Center and Hospital Limited will be held on Wednesday, the 3<sup>rd</sup> September 2014 at **3.00 p.m. at “KMCH Auditorium”, KMCH Campus, Avanashi Road, Coimbatore – 641 014** to transact the following business.

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and Statutory Auditors' thereon.
2. To declare dividend on equity shares for the financial year ended 31<sup>st</sup> March 2014.
3. To appoint a Director in place of Dr.M.C.Thirumoorthi (holding DIN: 00129814), who retires by rotation and being eligible, offers himself for re-appointment.
4. To Re-appoint M/s Haribakthi & Co. LLP, Chartered Accountants, Coimbatore having ICAI Firm Registration No: 103523W as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

## SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr.Kasi K Goundan (holding DIN: 01145935), a Non-Executive Director of the Company has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term upto 02.09.2019”.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Dr.M.Manickam (holding DIN: 00102233), a Non-Executive Director of the Company has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term upto 02.09.2019”.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
 “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 CA.A.M.Palanisamy (holding DIN: 00112303), a Non-Executive Director of the Company has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term upto 02.09.2019”.
  
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
 “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr.A.K.Venkatasamy (holding DIN: 00036191), a Non-Executive Director of the Company has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term upto 02.09.2019”.
  
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
 “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr.K.Saminathan (holding DIN: 01571748), a Non-Executive Director of the Company has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term upto 02.09.2019”.
  
10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
 “RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Dr.M.A.Muthusethupathi (holding DIN: 02766069), a Non-Executive Director of the Company has submitted a declaration that he meets the criteria

for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years for a term upto 02.09.2019”.

11. To appoint Dr.Purani P Palaniswami (holding DIN: 02707233) as a Director to fill the vacancy of the retiring Director Dr.K.S.K.Murugaiyan (holding DIN: 00012093) who retires at this Annual General Meeting and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Dr.Purani P Palaniswami (holding DIN: 02707233) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director be and is hereby appointed as Director of the Company liable to retire by rotation in the vacancy of Dr K.S.K.Murugaiyan (holding DIN: 00012093) who retires at this Annual General Meeting”.

12. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

#### Amendment of Articles of Association

“RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 (the Act) the Articles of Association of the company be and are hereby amended in the following manner.

In the text of the following resolutions the expression “the words” shall include “number” wherever the context so requires.

Wherever the words “the Companies Act, 1956” are occurring, the same to be substituted by the words “the Companies Act, 2013”.

In Article 1, the words “Table A” be substituted by the words “Table F”.

In Article 2(f) , the words “Section 150” be substituted by the words “Section 88”.

In Article 15, the words “Section 91” be substituted by the words “Section 49”.

In Article 36(a), the words “Form No.7-B set forth in Annexure-A to the Companies (Central Government's) General Rules and Forms,1956” be substituted by the words “Form No.SH-4 set forth in Sub Rule 11(1) of the Companies (Share Capital and Debentures) Rules, 2014”.

Articles 36 (b) and 36 (c) be substituted by the following Articles :

36(b) Instrument of Transfer shall be in the form as may be prescribed duly stamped, dated and executed by or on behalf of the Transferor and the Transferee and specify the name, address and occupation, if any, of the Transferee.

36(c) The Instrument of Transfer shall be delivered to the Company by the Transferor or the Transferee within a period of 60 days from the date of execution along with the certificate relating to the securities or if no such certificate is in existence along with the letter of allotment of securities.



In Article 38, the words “ Section 111” be substituted by the words “ Section 58 ”.

In Article 44 (A ), the words “ 109A and 109 B ” be substituted by the words “Section 72 ”.

In Article 48(d), the words “ of Section 206 of ” to be deleted .

In Article 50 the following be deleted :

Section 76 : To pay Commission on issue of shares/debentures.

Section 80 : To issue Redeemable Preference Shares.

Section 92 : To accept unpaid share capital although not called up.

Section 93 : To pay dividend in proportion to amount paid up.

Section 94 : To alter the share capital of the Company.

Section 100 : To reduce the capital of the Company.

Section 106 : To alter the rights of holders of special classes of shares ”.

And substituted by :

Section 40 : To pay commission on issue of shares/debentures.

Section 48 : Variation of shareholders rights.

Section 50 : To accept unpaid share capital, although not called up.

Section 51: To pay dividend in proportion to amount paid up.

Section 55(2) : Issue preference shares which are liable to be redeemed within a  
period not exceeding twenty years from their date of issue .

Section 61: Power to alter its Share Capital .

In Article 52 (B) the words “ Section 94 of the Act” be substituted by the words ” Section 61 of the Act”.

In Article 63 (b), the words “Section 87” be substituted by the words “Section 47 (b)”.

In Article 68 the words “ in either of the forms in Schedule IX to the Act or a form as near thereto as circumstances admit ” be substituted by the words.

“In Form No.MGT.11 of the Companies ( Management and Administration ) Rules, 2014 ”.

In Article 76 the words “ Section 262 ” be substituted by the words “ Section 161(4) ”.

In Article 77 the words “ Section 313 ” be substituted by the words “ Section 161(2) ”.

In Article 81 the words “ Section 285 ” be substituted by the words “ Section 173 ”.

In Article 81 the words “ Section 287 ” be substituted by the words “ Section 174 ”.



Article 83 to be substituted by the following Article :

“ Except where the Act requires a Resolution to be passed at a Meeting of the Board with the consent of all the Directors present at the Meeting, the question arising at any Meeting of the Directors shall be decided by a majority of votes of Directors voting . In case of equality of votes, the Chairman shall have a Second or Casting vote ”.

In Article 89 the words “ Section 292 “ be substituted by the words “ Section 179 ”.

In Article 91 the words “ Section 262, 292, 297, 316 , 372 (5) and 386(2) “ be substituted by the words “ by any section ”.

In Article 98 the words “ of Section 50 of “ be substituted by the words “under ”.

In Article 98 the words “ Sections 157 and 158 ” be substituted by the words “ Sub Section (4) of Section 88 ”.

In Article 104 the last sentence of the words “Such Whole-time Director(s) shall not be liable for retirement by rotation for the period decided by the Company in General Meeting” to be deleted.

In Article 105 the words “ Section 310 ” be substituted by the words “ Section 197 ”.

In Article 109 the words “ Section 309 ” be substituted by the words “ Section 197 ”.

In Article 118(b), the words “ Section 205 –A ” be substituted by the words “ Section 124 ”.

In Article 123, the words “ delivered or sent by post to or left at the registered address of any member ” be substituted by the following words:

“ Served on any member by sending it to him / her by post or registered post or by speed post or at his / her office or address or by such electronic or other mode as may be prescribed in pursuance of these Articles shall not withstanding such member ”.

In Article 128 the words “ Section 633 ” be substituted by the words “ Section 463 ”.

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Re-appointment of Managing Director

“RESOLVED THAT pursuant to provisions of Section 190, 196, 197, 198, 203 read with other applicable provisions of the Companies Act, 2013 (including any statutory modifications and re-enactments thereof, for the time being in force) read with Schedule V of the said Act, the consent of the Company be and is hereby accorded to the appointment of Dr.Nalla G Palaniswami as Managing Director of the Company for a period of five years with effect from 01.10.2014 on the terms and conditions including remuneration, allowances, perquisites and other benefits etc. as specified under with the authority to the Board to alter or vary the same from time to time with effect from such date or dates as may be decided by it and agreed to by Dr.Nalla G Palaniswami ”.

“ RESOLVED FURTHER THAT in the absence of inadequacy of the profits in any year, Dr.Nalla G Palaniswami shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated under subject however, to the necessary approvals and ceiling specified under Schedule V of the Companies Act, 2013 ”.

**I. Salary**

₹ 5,00,000/- (Rupees Five lacs only) per month.

[Annual increase in the salary as the Board may decide from time to time, however subject to a ceiling of ₹ 50,000/- (Rupees Fifty thousand only) per month. First increase to be effective from 01.10.2015 subject to the confirmation of the Board of Directors based on the recommendation of the Nomination and Remuneration Committee of Directors].

**II. Commission**

2% (two percent) commission on the net profits of the Company subject to a maximum ceiling specified in Section I of Part II of Schedule V of the Companies Act, 2013.

**III. Perquisites**

Perquisites as follows will be paid and / or provided in addition to salary. Perquisites shall be valued in terms of actual expenditure incurred by the Company as per Income Tax Rules. However in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy the perquisites shall be valued as per Income Tax Rules.

a. Medical Expenses

Coverage of medical expenses / personal accident insurance for self and family.

b. Leave Travel Concession / Allowance

For self and family, once in a year in accordance with the rules of the Company.

c. Club Fees

Fees of Club payable as per the rules of the Company.

d. Car

Use of Company's car with driver.

e. Telephone

Communication facilities at residence.

f. Any other perquisites as may be allowed by the Board subject to the provisions of the Companies Act, 2013.

**IV. Other benefits**

a. Contribution to provident fund to the extent not taxable under the Income Tax Act.

b. Gratuity at the rate of half month's salary for each completed year of service.

c. Encashment of leave at the end of the tenure as per the rules of the Company.

d. The above benefits under (a) to (c) shall not be included in the computation of ceiling on remuneration or perquisites.

**V. Overall Remuneration**

That the total remuneration (i.e. salary, perquisites, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time under Section 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Dr.Nalla G Palaniswami and accepted by the Nomination and Remuneration Committee.

**VI. Minimum Remuneration**

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed under Section II of part II of Schedule V to the Companies Act, 2013 including any statutory modifications or re-enactment thereof, as may, for the time being be in force.

14. To consider and if thought fit, to pass with or without modification (s), the following resolution as a special resolution:

Approval for Borrowing in excess of the paid-up capital & free reserves of the Company

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 and in pursuance of all earlier resolutions passed in this regard under the Companies Act, 1956, consent of the company be and is hereby accorded to the Board of Directors of the company and / or any committee thereof to borrow at its discretion, either from the company's bank or any other Indian or Foreign Bank(s), financial institution(s) and / or any other lending institutions or persons from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the company (apart from temporary loans obtained from the company's bankers / financial institutions in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid-up capital and free reserves of the company that is to say, reserves not set apart for any specific purpose, provided that the total amount of borrowing together with the money(s) already borrowed by the Board of Directors shall not exceed the sum of ₹ 1000 crore (Rupees One thousand crore only) at any one time”.

15. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

Approval for creation of charge / mortgage etc. on Company's movable / immovable properties.

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and subject to other approvals, if applicable or required under any statute(s) / rule(s) / regulation(s) or any law for the time being in force or required from any other concerned authorities and in



supersession of earlier resolutions passed in this regard under the Companies Act, 1956, the Board of Directors of the company and / or any committee thereof, be and are hereby authorized and shall be deemed to have always been so authorized to create such mortgages / charges / hypothecation and/or other encumbrances, in addition to the existing mortgages, charges, hypothecation and other encumbrances, if any created by the company on all or any part of the immovable and/or movable properties, current and/or fixed assets, tangible or intangible assets, book debts and/or claims of the company wheresoever situate, present and future such charges to rank either pari passu with or second, subsequent, subservient and subordinate to all mortgages, charges, hypothecation and other encumbrances created / to be created by the company in favour of Indian or foreign financial institutions, banks and other lending institutions and/or to such other persons, if any from whom the company has proposed / proposes to borrow money / sums of money's by way of term loans, cash credits, over drafts, discounting of bills, inter-corporate deposits, commercial papers or such other financial instruments permitted to be issued by the appropriate authorities from time to time together with interest, cost, charges and other incidental expenses in terms of the agreement(s) entered / to be entered into by the Board of Directors / to any committee thereof of the company with the over all borrowing limits of ₹ 1000 crore (Rupees One thousand crore only) as fixed pursuant to Section 180(1)(c) of the Companies Act, 2013”.

### NOTES

1. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or other authority shall be deposited at the Registered Office of the company at Post Box No.3209, Avanashi Road, Coimbatore – 641 014 not less than 48 hours before the commencement of the meeting.
2. In case of joint holders attending the meeting, only such joint holder whose name appears at the top in the hierarchy of names shall be entitled to vote.
3. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
4. A statement of material facts pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Item No.5 to 15 of special business is annexed hereto.
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of members and Share Transfer Books of the Company will remain closed from Wednesday, 27<sup>th</sup> August 2014 to Wednesday, 3<sup>rd</sup> September 2014 (both days inclusive) in connection with the 28<sup>th</sup> Annual General Meeting and for ascertaining shareholders who are entitled to receive dividend declared at the AGM.



6. Dividend upon its declaration at the meeting will be paid within statutory period of 30 days to those members whose names appear :
  - a. As members on the Register of Members of the company as on 3<sup>rd</sup> September 2014 after giving effect to all valid share transfers in physical form which would be received by the company upto the closing hours of business on 26<sup>th</sup> August 2014.
  - b. As beneficial owners as per the list to be furnished by NSDL/CDSL as at the closing hours of business on 26<sup>th</sup> August 2014.
7. Electronic Clearing Service (ECS) Facility  
 Shareholders holding shares in physical form who now wish to avail ECS facility, are requested to forward their ECS mandate in the prescribed form to the Company's Registrar and Share Transfer Agent M/s GNSA Infotech Limited, STA Department, Nelson Chambers, F-Block, 4<sup>th</sup> Floor, No.115 Nelson Manickam Road, Aminjikarai, Chennai – 600 029.
8. Pursuant to the provisions of Section 205 of the Companies Act, 1956, amended, dividend for the financial year ended 31<sup>st</sup> March 2007 and thereafter, which remains unclaimed for a period of 7 years from the date of transfer of the same to the unclaimed dividend account as referred to in sub-section (1) of section 205A of the Act, will be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government. Members who have not encashed the dividend warrant(s) so far for the financial year ended 31<sup>st</sup> March 2007 or subsequent financial years are requested to make their claim to the Secretarial Department, Post Box No.3209, Avanashi Road, Coimbatore – 641 014. It may also be noted that once the unclaimed dividend is transferred to the IEP Fund as above, no claim shall lie in respect thereof.
9. The company transferred all unclaimed dividend declared upto the financial year ended 31<sup>st</sup> March 2006 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, Tamil Nadu, Coimbatore Stock Exchange Building, 2<sup>nd</sup> Floor, 683 Trichy Road, Singanallur, Coimbatore – 641 005.
10. Members holding shares in physical form are requested to intimate the following directly to the company's Registrar and Share Transfer Agent M/s GNSA Infotech Limited, STA Department, Nelson Chambers, F-Block, 4<sup>th</sup> Floor, No.115 Nelson Manickam Road, Aminjikarai, Chennai – 600 029.
  - a. Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
  - b. Changes, if any, in their address at an early date.
  - c. Application for consolidation of folios, if shareholdings are under multiple folios.
  - d. Despatch of share certificates for consolidation.
  - e. Request for nomination forms for making nominations as per amended provisions of the Companies Act, 2013.
  - f. Members are requested to quote ledger folio numbers in all their correspondences.

11. Members holding shares in dematerialised form (electronic form) are requested to intimate any change in their address, bank mandate etc., directly to their respective Depository Participants.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent M/s GNSA Infotech Limited, Chennai.
13. The Ministry of Corporate Affairs, New Delhi (MCA) has taken a 'Green initiative' in the corporate governance by permitting paperless compliances by companies vide its Circulars which validate the sending of documents through electronic mode and clarified that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the document(s). The members are requested to support this 'Green initiative' by registering/ updating their e-mail address with the company or Share Transfer Agent M/s GNSA Infotech Limited, Chennai.
14. Documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during normal business hours (9:30 am to 6:00 pm) on all working days except Saturdays and Sundays (including Public Holidays) up to the date of the Annual General Meeting.
15. Members are requested to note that the Company's shares are under compulsory demat trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
16. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
17. Electronic copy of the Annual Report for the year 2014 is being sent to all the members whose Email IDs are registered with the Company / Depository Participant(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 for the year 2014 is being sent in the permitted mode.
18. Pursuant to the requirements of Corporate Governance under Clause 49 of Listing Agreement entered into with the Stock Exchange(s), the brief resumes of all the Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board / Committees, shareholding

and relationships between Directors inter-se, are provided in the Directors' Report forming part of the Annual Report.

19. Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report for the year 2014 will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Company's designated email id: secretarialdept@kmchhospitals.com.
20. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of Annual Report to the meeting.
21. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by National Securities Depository Limited (NSDL):

**The instructions for e-voting are as under:**

**A. In case a Member receives an email from NSDL [ for members whose email IDs are registered with the Company / Depository Participants ] :**

- (i) Open email and open PDF file viz; " kmchltd.pdf " with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of KMCH LTD.

- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to madhu@ksrandco.in with a copy marked to evoting@nsdl.co.in

**B. In case a Member receives physical copy of the Notice of AGM [ for members whose email IDs are not registered with the Company / Depository Participants or requesting physical copy ] :**

- I. (a) Initial password is provided as below/at the bottom of the Attendance Slip EVEN (E-Voting Event Number) User ID and Password.  
(b) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of 'A' above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.e-voting.nsdl.com](http://www.e-voting.nsdl.com)
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on August 28, 2014 (9:00 am) and ends on August 30, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 25, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of July 25, 2014.
- VII. Mr.C.V.Madhusudhanan, Practising Company Secretary (Membership No.FCS 5367) of M/s KSR & Co Company Secretaries LLP, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot form received from the members who do not have access to the e-voting process) in a fair and transparent manner.





## Notice of Annual General Meeting

- VIII. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with Annual Report) so as to reach the Scrutinizer Mr.C.V.Madhusudhanan, Practising Company Secretary appointed by the Board of Directors of the Company not later than Saturday, August 30, 2014 (6.00 p.m. – IST). Ballot Form received after the date will be treated as invalid. A member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a member casts vote by both modes then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- IX. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- X. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kmchhospitals.com](http://www.kmchhospitals.com) and on the website of NSDL within 2 (two) days of passing of the resolutions at the AGM of the Company on 3<sup>rd</sup> September 2014 and communicated to the Stock Exchanges where the shares of the company are listed.

By order of the Board  
**For Kovai Medical Center and Hospital Limited**

Coimbatore  
17.07.2014

**CS.S.P. CHITTIBABU**  
COMPANY SECRETARY

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No : 5**

Mr.Kasi K Goundan is a Non-Executive Independent Director of the company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act). Mr.Kasi K Goundan being eligible and proposed to be appointed as an Independent Director for a term of five years.

The company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr.Kasi K Goundan for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Act.

The company has received from Mr.Kasi K Goundan:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014.
- ii. Intimation in Form DIR-8 in terms of the said rules, to the effect that he meets the criteria of independence as prescribed in sub-section (6) of Section 149 of the Act.

The resolution seeks the approval of the members for appointment of Mr.Kasi K Goundan as an Independent Director of the company upto 02.09.2019 pursuant to Section 149 and other applicable provisions of the Act and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr.Kasi K Goundan fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management.

A copy of the draft letter of appointment of Mr.Kasi K Goundan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the company's Registered Office during business hours on working days upto the date of Annual General Meeting. The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Mr.Kasi K Goudan as an Independent Director.

The detailed profile of Mr.Kasi K Goundan, Directorship position held by him in other companies is included separately in this notice.

The Board of Directors commend passing of the resolution set out in item no.5 of the notice in relation to the appointment of Mr.Kasi K Goundan as an Independent Director.

Except Mr.Kasi K Goundan, no other Director, key managerial personnel and relatives thereof are concerned or interested in this resolution.

**Item No:6**

Dr.M.Manickam is a Non-Executive Independent Director of the company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act). Dr.M.Manickam being eligible and proposed to be appointed as an Independent Director for a term of five years.

The company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Dr.M.Manickam for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Act.

The company has received from Dr.M.Manickam:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014.
- ii. Intimation in Form DIR-8 in terms of the said rules, to the effect that he meets the criteria of independence as prescribed in sub-section (6) of Section 149 of the Act.

The resolution seeks the approval of the members for appointment of Dr.M.Manickam as an Independent Director of the company upto 02.09.2019 pursuant to Section 149 and other applicable provisions of the Act and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Dr.M.Manickam fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management.

A copy of the draft letter of appointment of Dr.M.Manickam as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the company's Registered Office during business hours on working days upto the date of Annual General Meeting. The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Dr.M.Manickam as an Independent Director.

The detailed profile of Dr.M.Manickam, Directorship position held by him in other companies is included separately in this notice.

The Board of Directors commend passing of the resolution set out in item no.6 of the notice in relation to the appointment of Dr.M.Manickam as an Independent Director.

Except Dr.M.Manickam, no other Director, key managerial personnel and relatives thereof are concerned or interested in this resolution.

**Item No:7**

CA. A.M.Palanisamy is a Non-Executive Independent Director of the company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act). CA. A.M.Palanisamy being eligible and proposed to be appointed as an Independent Director for a term of five years.



The company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of CA. A.M.Palanisamy for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Act.

The company has received from CA. A.M.Palanisamy:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014
- ii. Intimation in Form DIR-8 in terms of the said rules, to the effect that he meets the criteria of independence as prescribed in sub-section (6) of Section 149 of the Act.

The resolution seeks the approval of the members for appointment of CA. A.M.Palanisamy as an Independent Director of the company upto 02.09.2019 pursuant to Section 149 and other applicable provisions of the Act and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, CA. A.M.Palanisamy fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management.

A copy of the draft letter of appointment of CA. A.M.Palanisamy as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the company's Registered Office during business hours on working days upto the date of Annual General Meeting. The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of CA. A.M.Palanisamy as an Independent Director.

The detailed profile of CA. A.M.Palanisamy, Directorship position held by him in other companies is included separately in this notice.

The Board of Directors commend passing of the resolution set out in item no.7 of the notice in relation to the appointment of CA. A.M.Palanisamy as an Independent Director.

Except CA. A.M.Palanisamy, no other Director, key managerial personnel and relatives thereof are concerned or interested in this resolution.

### **Item No:8**

Mr.A.K.Venkatasamy is a Non-Executive Independent Director of the company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act). Mr.A.K.Venkatasamy being eligible and proposed to be appointed as an Independent Director for a term of five years.

The company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. A.K.Venkatasamy for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Act.



The company has received from Mr. A.K.Venkatasamy:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014.
- ii. Intimation in Form DIR-8 in terms of the said rules, to the effect that he meets the criteria of independence as prescribed in sub-section (6) of Section 149 of the Act.

The resolution seeks the approval of the members for appointment of Mr.A.K.Venkatasamy as an Independent Director of the company upto 02.09.2019 pursuant to Section 149 and other applicable provisions of the Act and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr.A.K.Venkatasamy fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management.

A copy of the draft letter of appointment of Mr.A.K.Venkatasamy as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the company's Registered Office during business hours on working days upto the date of Annual General Meeting. The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Mr.A.K.Venkatasamy as an Independent Director.

The detailed profile of Mr.A.K.Venkatasamy, Directorship position held by him in other companies is included separately in this notice.

The Board of Directors commend passing of the resolution set out in item no.8 of the notice in relation to the appointment of Mr.A.K.Venkatasamy as an Independent Director.

Except Mr.A.K.Venkatasamy, no other Director, key managerial personnel and relatives thereof are concerned or interested in this resolution.

#### **Item No:9**

Mr.K.Saminathan is a Non-Executive Independent Director of the company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act). Mr.K.Saminathan being eligible and proposed to be appointed as an Independent Director for a term of five years.

The company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr.K.Saminathan for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Act.

The company has received from Mr.K.Saminathan:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014.
- ii. Intimation in Form DIR-8 in terms of the said rules, to the effect that he meets the criteria of independence as prescribed in sub-section (6) of Section 149 of the Act.



The resolution seeks the approval of the members for appointment of Mr.K.Saminathan as an Independent Director of the company upto 02.09.2019 pursuant to Section 149 and other applicable provisions of the Act and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr.K.Saminathan fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management.

A copy of the draft letter of appointment of Mr.K.Saminathan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the company's Registered Office during business hours on working days upto the date of Annual General Meeting. The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Mr.K.Saminathan as an Independent Director.

The detailed profile of Mr.K.Saminathan, Directorship position held by him in other companies is included separately in this notice.

The Board of Directors commend passing of the resolution set out in item no.9 of the notice in relation to the appointment of Mr.K.Saminathan as an Independent Director.

Except Mr.K.Saminathan, no other Director, key managerial personnel and relatives thereof are concerned or interested in this resolution.

### **Item No:10**

Dr.M.A.Muthusethupathi is a Non-Executive Independent Director of the company. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act). Dr.M.A.Muthusethupathi being eligible and proposed to be appointed as an Independent Director for a term of five years.

The company has received notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Dr.M.A.Muthusethupathi for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Act.

The company has received from Dr.M.A.Muthusethupathi:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualifications of Directors) Rules, 2014.
- ii. Intimation in Form DIR-8 in terms of the said rules, to the effect that he meets the criteria of independence as prescribed in sub-section (6) of Section 149 of the Act.

The resolution seeks the approval of the members for appointment of Dr.M.A.Muthusethupathi as an Independent Director of the company upto 02.09.2019 pursuant to Section 149 and other applicable provisions of the Act and the rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Dr.M.A.Muthusethupathi fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the management.



A copy of the draft letter of appointment of Dr.M.A.Muthusethupathi as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the company's Registered Office during business hours on working days upto the date of Annual General Meeting. The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Dr.M.A.Muthusethupathi as an Independent Director.

The detailed profile of Dr.M.A.Muthusethupathi, Directorship position held by him in other companies is included separately in this notice.

The Board of Directors commend passing of the resolution set out in item no.10 of the notice in relation to the appointment of Dr.M.A.Muthusethupathi as an Independent Director.

Except Dr.M.A.Muthusethupathi, no other Director, key managerial personnel and relatives thereof are concerned or interested in this resolution.

### **Item No:11**

Dr.K.S.K.Murugaiyan, Non-Executive Non-Independent Director retires at the ensuing Annual General Meeting under the provisions of the erstwhile Companies Act, 1956 and in terms of Section 152 of the Companies Act, 2013.

As per the provisions of Section 152(6)(e) of the Companies Act, 2013 at the Annual General Meeting at which a Director retires, the company may fill up the vacancy by appointing the retiring Director or some other person thereto.

Dr.Purani P Palaniswami is a leading Consultant in Rheumatology in Chicago, USA and has ten years of experience in the field of healthcare.

The Board of Directors considers that the association of Dr.Purani P Palaniswami as a Director of the company will benefit our company.

Keeping in view of the above, the Board of Directors have proposed to appoint Dr.Purani P Palaniswami to fill up the vacancy which would arise consequent to the retirement of Dr.K.S.K.Murugaiyan at the ensuing Annual General Meeting. Dr.K.S.K.Murugaiyan has been a Director of the Company since 29.09.1993 and he has not offered himself for reappointment. Your Directors place on record the valuable guidance, support and advice extended by Dr.K.S.K.Murugaiyan during his tenure as director.

The detailed profile of Dr.Purani P Palaniswami, Directorship position held by her in other companies is included separately in this notice.

The company has received a notice in writing from a member along with a deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Dr.Purani P Palaniswami for the office of Director of the company.



Dr.Purani P Palaniswami is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director. She holds 667491 shares in the company.

The Board of Directors commend passing of the resolution set out in item no.11 of the notice.

Except Dr.Nalla G Palaniswami, Dr.Thavamani Devi Palaniswami, Dr.Mohan S Gounder, no other Director, key managerial personnel and relatives thereof are concerned or interested in this resolution.

### **Item No:12**

The existing Articles of Association (AOA) is based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific Sections of the Companies Act, 1956. With the enactment of Companies Act, 2013 and its allied rules, the provisions of the Companies Act, 1956 are getting replaced in a phased manner.

Section 6 of the Act explicitly provides that in case of any conflict between the provisions of the Act and the Memorandum / Articles of Association of the company, the provisions of the Act will prevail. In light of the same, the Articles of Association of the company contains reference to various Sections and Schedules of the Companies Act, 1956, consequently it is necessary to delete the references in the Articles of Association of the Company pertaining to various Sections and Schedules of the old Act and the same be substituted by relevant corresponding provisions of the new Act.

Pursuant to the provisions of Section 14 of the new Act, amendment of Articles of Association would require approval of shareholders by way of special resolution. Accordingly this matter has been placed before the shareholders for approval.

The existing Articles of Association of the company along with the Articles of Association incorporating therein the proposed alterations are available for inspection to all the members of the company at the Registered Office of the company during business hours on all week days.

The Board of Directors commend passing of the resolution set out in item no.12 of the notice.

None of the Directors, key managerial personnel and relatives thereof are interested or concerned in the proposed resolution.

### **Item No:13**

The members of the Company vide their Annual General Meeting held on 31.07.2009 had appointed Dr.Nalla G Palaniswami as Managing Director for a period upto 30<sup>th</sup> September 2014. The Board in its meeting held on 17.07.2014 had resolved to re-appoint Dr.Nalla G Palaniswami for a period of five years. The Nomination and Remuneration Committee in its meeting held on 11.07.2014 had recommended the remuneration of Dr.Nalla G Palaniswami for a period of five years subject to approval of members.



During the tenure of Dr.Nalla G Palaniswami, Kovai Medical Center and Hospital Limited has established itself as one of the leading health care provider in India. Dr.Nalla G Palaniswami has made substantial and significant contribution to the development of the Company, from its inception to the establishment of a world class hospital. His vast experience in health care industry spanning over more than four decades would take the Company to newer heights in delivering quality health care at par with international standards.

The proposed re-appointment of Dr.Nalla G Palaniswami as Managing Director and the payment of remuneration are in conformity with Schedule V of the Companies Act, 2013.

In the event of inadequacy or absence of net profits during any financial year, the remuneration payable shall be maximum permissible under Section II of Part II of Schedule V to the Companies Act, 2013.

Pursuant to Section 190 of the Companies Act, 2013, this may be treated as an abstract of the terms and conditions of the contract and Memorandum of interest concerning the appointment and remuneration of Dr.Nalla G Palaniswami as Managing Director.

In terms of Article 103(b) of the Articles of Association of the Company, Dr.Nalla G Palaniswami is not liable to retire by rotation.

None of the Directors except Dr.Nalla G Palaniswami, Dr.Thavamani Devi Palaniswami and Dr.Mohan S Gounder are interested or concerned in the proposed resolution.

The Board recommends this resolution set out in item no.13 for the approval of the members.

### **Item No:14 & 15**

The Members of the Company on 23<sup>rd</sup> August 2011 had approved the borrowings by the Company for an amount not exceeding ₹ 750 Crore (Rupees Seven hundred and fifty crore only) and creation of charge to secure the borrowings vide Ordinary Resolution(s) under Section 293(1) (d) and 293(1)(a) of Companies Act, 1956 which is valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013.

Your Hospital continues to show robust performance year-on-year and it has to keep investing substantial amount to increase the bed capacity in existing centers and have to invest continuously in new technologies, modernization of facilities and expansion of services. We believe that these investments will help us to attract and retain Doctors and make our Hospitals a preferred destination for patients.

Moreover as part of our ambitious growth plans, we are also contemplating to take up new projects at different locations other than Coimbatore.

Therefore, it is considered desirable to enhance the borrowing limits to ₹ 1000 crore (Rupees One thousand crore only) apart from temporary loans obtained / to be obtained by the company from its Bankers in the ordinary course of business. In order to comply with the provisions of Companies Act, 2013, approval of the Members of the Company is being sought by way of Special Resolution under Section 180 (1) (c) of the Companies Act, 2013, to borrow monies in excess of Paid-up Capital of the





## Notice of Annual General Meeting

Company and its free reserves and to create security by way of creating mortgage, hypothecation and / or charge on movable / immovable properties of the Company.

The Board recommends the Special Resolution(s) as set out in item Nos.14 & 15 of the Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in this Resolution.

By order of the Board  
**For Kovai Medical Center and Hospital Limited**

Coimbatore  
17.07.2014

**CS.S.P. CHITTIBABU**  
COMPANY SECRETARY

The details of Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement) are as follows :

S. No.	Name	Qualification	Experience (in Yrs)	Directorship in other Public Limited Companies	Committee Membership In other Public Ltd. Companies	No. of Shares in KMCH
<b>Re-appointment</b>						
1.	Dr.Nalla G Palaniswami	MD AB(USA)	45	Biomed Hitech Industries Ltd. Idhayam Hospitals Erode Ltd.	---	51167
2.	Dr.M.C.Thirumoorthi	MD AB(USA)	36	Appu Hotels Ltd.	---	6013
<b>Appointment</b>						
1.	Mr.Kasi K Goundan	BE (Mech)	45	---	---	---
2.	Dr.M.Manickam	MBA (USA)	29	Sakthi Auto Component Ltd. Sakthi Finance Ltd. Sakthi Sugars Ltd. Sri Chamundeswari Sugars Ltd. ABT Ltd. ABT Industries Ltd. Sakthi Properties (Coimbatore) Ltd. The Gounder and Company Auto Ltd. ABT Foods Retailing (India) Ltd. ABT Foods Ltd.	Sakthi Auto Component Ltd. Sakthi Sugars Ltd. Sakthi Finance Ltd.	---
3.	CA. A.M.Palanisamy	B.Com., FCA	28	KPR Mill Ltd. Coimbatore Central Co-operative Bank Ltd.	---	4000
4.	Mr.A.K.Venkatasamy	LEE, DBA	39	Genau Extrusions Ltd Biomed Hitech Industries Ltd. Idhayam Hospitals Erode Ltd.	---	2500
5.	Mr.K.Saminathan	Pre-University Course	38	---	---	8000
6.	Dr.M.A.Muthusethupathi	MD. DM	35	---	---	---
7.	Dr.Purani P Palaniswami	MD (USA)	10	Aosta Software Technologies (India) Ltd. EDG Pharmaceuticals (India) Ltd. Purani Hospital Supplies Ltd.	---	667491

**DIRECTORS' REPORT**

Dear Members,

Your Directors take pleasure in presenting the **Twenty Eighth Annual Report** of your company together with Audited Financial Statements for the year ended 31<sup>st</sup> March 2014.

**FINANCIAL RESULTS (STANDALONE)**
**(₹ in lacs)**

	<b><u>2013-14</u></b>	<b><u>2012-13</u></b>
Operating Income	33414.28	29713.38
Other Income	461.47	305.51
<b>Total Income</b>	<b>33875.75</b>	<b>30018.89</b>
Earnings Before Interest, Tax & Depreciation (EBITDA)	7755.70	7330.24
Profit Before Taxation (PBT)	3731.94	3133.27
Provision for Taxation	1360.04	1008.50
<b>Profit After Taxation (PAT)</b>	<b>2371.90</b>	<b>2124.77</b>
Balance of Profit brought forward	3355.07	1572.32
<b>Profit available for appropriations</b>	<b>5726.97</b>	<b>3697.09</b>
<b>Appropriations:</b>		
Dividend (inclusive of dividend tax)	192.02	192.02
Transfer to General Reserve	150.00	150.00
Balance carried forward to Balance Sheet	5384.95	3355.07

**RESULTS OF OPERATIONS**

During the year under review, the income from operations of the company increased to ₹ 33414.28 lacs compared to ₹ 29713.38 lacs in the previous year, registering a growth of 12.46 percent. Factors like poor macro-economic environment, rising interest rates, failure of monsoon, heavy power shut down all have dampened the industrial activities, causing contraction of liquidity in the economy, which had impacted the current performance of your Hospital resulting in decline in the growth of revenue, when compared to the previous year.

The profit after tax for the year increased to ₹ 2371.90 lacs against the year ago profit of ₹ 2124.77 lacs. The company was able to achieve an operational profit of ₹ 7755.70 lacs (₹ 7330.24 lacs in 2012-13) in spite of the increase in all input costs.

**DIVIDEND**

The Board of Directors at their meeting held on 23.05.2014 recommended a dividend of 15 percent (₹ 1.50 per share) for the Financial Year ended 31.03.2014 absorbing a sum of ₹ 192.02 lacs including tax payable by the company.

**TRANSFER TO RESERVES**

The company proposes to transfer ₹ 150 lacs to the general reserve out of the amount available for appropriation and the balance amount of profit for the year of ₹ 2029.88 lacs is proposed to be retained in the Statement of Profit and Loss.

**CORPORATE SOCIAL RESPONSIBILITIES**

The company firmly believes in providing high quality health care facility on a continuous basis with a human touch. The Hospital in its endeavour to extend health care facilities, cater not only to poor patients but also reaches out to the society at large. We have been organizing various continuous medical education programmes (CME), medical camps which provide free medical care besides health awareness and education. During the year free consultation camps on Cardiology, Orthopaedics, Gastroenterology, Dental, General Medicine, Spine, Oncology, Diabetics, Multi-speciality and free General Medical camps were conducted.

**INFECTION CONTROL AND ENVIRONMENT**

The infection control programme organized by your Hospital has yielded effective control over infection related diseases. The infection control committee actively monitors and reviews every month the incidences and take corrective steps to prevent such occurrences. Patient, Employee safety and precaution against occupational hazards were very effective and have considerably reduced the infection related issues.

**TECHNOLOGY ABSORPTION**

The Hospital always believes in giving the best to the patients and in this regard it continuously invests in cutting edge technology and in the latest and best equipments. During the year, your Hospital added Haemo Dialysis Machines, Ultrasonic Surgical Aspirator, Refrigerated Centrifuge, Mobile X-ray, PHACO Machine, Haemonetics Coagulation Analyser, Arthroscopic Camera Unit, Colour Doppler and other equipments to the tune of ₹ 372 lacs.

**CONSERVATION OF ENERGY**

Your company has taken numerous steps for conserving energy and has installed building management system (BMS) for continuous monitoring of the power consumption. The power generation and consumption is continuously and closely monitored to conserve energy.



The company has invested continuously in solar water heaters and power lights.

Close monitoring of power generation, its usage and periodical maintenance of the plants have helped the company to conserve energy.

## CREDIT RATING

CARE has upgraded our company's debt instruments to 'CARE BBB+' from 'CARE BBB' for its long term facilities and the company continue to have the credit rating as 'CARE A3 +' for its short term facilities.

## AWARDS

Your Hospital has been rated as '**No.1 Best Multi-speciality Hospital in Coimbatore**' by a survey conducted by "The Week" magazine in its November 2013 publication.

## HOSPITAL ACCREDITATION

Your Hospital has been certified by National Accreditation Board for Hospitals and Health care Providers (NABH) for the delivery of high standards of safety and quality care to the patients.

## HUMAN RESOURCES DEVELOPMENT

KMCH recognizes the value of its human resources. We strive hard to provide employee friendly environment in our hospital in developing highly motivated and satisfied work force. We encourage and nurture creativity, innovation and motivate employees for improved performance. The total number of employees increased from 2236 as on March 31, 2013 to 2924 as on March 31, 2014.

## INDUSTRIAL RELATIONS

The industrial relations scenario continued to be cordial during the year under review.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors of the Company hereby state and confirm that:

In the preparation of the annual accounts for the year, the applicable accounting standard had been followed along with proper explanations and there were no material departures;

The Directors had selected such accounting policies and applied them consistently and made judgements 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 of the company for that period;



The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

The Directors had prepared the annual accounts on a going concern basis.

## DIRECTORS

As per the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013, Mr.Kasi K Goundan (DIN:01145935), Dr.M.Manickam (DIN:00102233), CA. A.M.Palanisamy (DIN:00112303), Mr.A.K.Venkatasamy (DIN:00036191), Mr.K.Saminathan (DIN:01571748), Dr.M.A.Muthusethupathi (DIN:02766069) all existing Independent Directors will be appointed as Independent Directors of the company and shall hold office from the date of Annual General Meeting for a period of five years upto 02.09.2019.

The company has received declaration from all the Independent Directors of the company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the listing agreement with the Stock Exchanges.

They shall not, henceforth be liable to retirement by rotation.

Dr.M.C.Thirumoorthi, Director retires by rotation and being eligible has offered himself for re-appointment.

## APPOINTMENT OF MANAGING DIRECTOR

The term of office of Dr.Nalla G Palaniswami, Managing Director of the Company expires on 30<sup>th</sup> September 2014. The terms and conditions of his re-appointment for a further period of 5 years and payment of remuneration are subject to the approval of the members of the company at the ensuing Annual General Meeting.

## SUBSIDIARY COMPANY

Idhayam Hospitals Erode Limited had become a wholly owned subsidiary of KMCH with effect from 23.04.2007. The Ministry of Corporate Affairs (MCA) vide its circular No.5/12/2007-CL-III dated 8<sup>th</sup> February 2011 had granted general exemption under Section 212(8) of the Companies Act, 1956 to companies from attaching the accounts of their subsidiaries in their annual reports subject to fulfillment of certain conditions prescribed.

The Board of Directors of the Company at its meeting held on May 23, 2014 noted the provisions of the circular of the MCA and passed necessary resolution granting the requisite approvals for not attaching the Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Report of the Auditor of Idhayam Hospitals Erode Limited to the accounts of the company. A statement of summarized financials of Idhayam Hospitals Erode Limited pursuant to Section 212(8) of the Companies Act, 1956 forms part of this report.

However the Company will provide the annual report and the financial statements of its Subsidiary Company on the specific request made by any investor and the said accounts are open for inspection at the Registered Office of the Company during office hours on all working days between 2.00 p.m. to 4.00 p.m. (except Sundays and holidays).

### **CONSOLIDATED FINANCIAL STATEMENTS**

As required under Clause 32 of the listing agreement with the Stock Exchanges and in accordance with the requirements of Accounting Standard AS-21 of the Companies (Accounting Standard) Rules, 2006. The Consolidated Financial Statements presented by your company includes the financial information of its subsidiary also.

### **PARTICULARS OF EMPLOYEES**

The statement containing particulars of the employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this Report. However, in terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the annual report excluding the aforesaid information is being sent to all the members. Such particulars may be obtained by any member, by writing to the Company Secretary at the Registered Office of the Company.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

Particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption has been dealt in our Directors' Report. The particulars regarding foreign exchange inflow and outgo appear as note no. 32 forming part of the accounts.

### **FIXED DEPOSITS**

As per Section 58A of the Companies Act, 1956, the Company has not accepted any deposits from the public during the year.



## AUDITORS

The Auditors M/s Haribhakti & Co., Chartered Accountants, Coimbatore retires at the ensuing Annual General Meeting and are eligible for re-appointment in accordance with the provisions of Section 139(1) and Section 141 of the Companies Act, 2013.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement a report on corporate governance is given in the section titled "Report on Corporate Governance" forms part of the Directors' Report in the Annual Report.

A certificate from the practising company secretary regarding compliance of the conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges is attached to this report.

## ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the continued support to the company extended by bankers, Govt. authorities, customers, vendors, investors, members, consultants and employees.

For and on behalf of the Board

Coimbatore  
23.05.2014

**DR. NALLA G PALANISWAMI**  
CHAIRMAN AND MANAGING DIRECTOR

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Health care Industry in India

At the turn of this century, health outcomes in India and the quality of the underlying health system significantly lagged those of peer nations. From such weak beginning Indian health care industry, has made steady progress, but remain inadequate on most parameters.

In India, health care sector suffers from underfunding and bad governance. India has made huge improvements since independence, but majority (70 percent) of the effort has been private sector led. Still India accounts for 21 percent of the world's burden of disease – Courtesy Wikipedia.

Though the Government spending on health care is inadequate, it plans to increase it further by 2.5 percent of the GDP in the 12<sup>th</sup> five year plan. The amount of public fund that India invests in health care is very small compared to other emerging economies. With 6 percent of GDP expenditure on health care, India ranks among the bottom five countries with the lowest public health spending globally.

As per the study by CRISIL Research, the health care delivery industry is expected to grow at 12 percent CAGR to reach ₹ 3,500 billion by 2014-15. According to CRISIL, owing to the shortages in public health care delivery in India, private expenditure on health care accounts for nearly 75 percent of overall health care expenditure in the country and is the highest in the world.

Health care in India today provides existing and new players with a unique opportunity to achieve innovation, differentiation and profits. In the next decade, increasing consumer awareness and demand for better facilities will redefine the country's second largest service sector employer.

India's primary competitive advantage over its peers lies in its large pool of well-trained medical professionals. Also, India's cost advantage compared to peers in Asia and Western countries is significant. Cost of surgery in India is one-tenth of that in the US or Western Europe.

To improve the India's health care access, paradigm shift is required from 'infrastructure focus' to 'productivity focus'. This can only be achieved if larger fund allocation for health care is accompanied by effective and innovative interventions to improve the existing health care ecosystem.

The Indian healthcare industry in India is rapidly growing and is being fueled by large investments from existing corporate hospital chains as well as new entrants backed by private equity investors. This is a clear indication that health care is going to be a major sector that stimulates the economic growth. The healthcare industry forms the backbone of any nation's well being and can be broadly divided into five segments namely hospitals, pharmaceuticals, diagnostics, medical equipment & supplies and medical insurance.

## Road Ahead

Telemedicine is a fast emerging sector in India, In 2012, the telemedicine market in India was valued at US\$ 7.5 million and is expected to grow at a CAGR of 20 percent to US\$ 18.7 million by 2017.

India's competitive advantage also lies in the increased success rate of Indian companies in getting Abbreviated New Drug Application (ANDA) approvals. India also offers vast opportunities in R&D as well as medical tourism.

The Indian medical tourism industry is pegged at US\$ 1 billion per annum, growing at around 18 percent and is expected to touch US\$ 2 billion by 2015.

There is a significant scope for enhancing healthcare services considering that healthcare spending as a percentage of GDP is rising. Rural India, which accounts for over 70 percent of the population, is set to emerge as a potential demand source. Only 3 percent of the specialist physicians cater to rural demand.

There are vast opportunities for investment in healthcare infrastructure in both urban and rural India. About 1.8 million beds are required by the end of 2025. Additionally, 1.54 million doctors and 2.4 million nurses are required to meet the growing demand.

Source: India Brand Equity Foundation (IBEF)

## OPPORTUNITIES

India's population is expected to grow from around 1.1 billion in 2009-10 to over 1.4 billion by 2026. The number of treatments required is therefore expected to increase in tandem. As current health care delivery system remains woefully inadequate, there is tremendous opportunity for growth.

### Drivers of growth

#### Increasing Health awareness

With the rise in literacy levels across the country, greater percentage of population understands the need for preventive and corrective health care facility. It is likely to increase the demand for health care delivery services.

#### Rising income levels

Steady increase of disposable income is expected to create higher demand for quality health care though health care is largely considered a non-discretionary expense.



**Change in disease profile**

Factors like changing demographics, rising disposable income and change in dietary patterns lead to increased incidence of life style related diseases. All these will result in increased demand for quality health care services.

**Health Insurance coverage**

Presently 95 percent of India's private health care expenditure is in the form of out-of-pocket expenditure as health insurance coverage is under 5 percent. This gives opportunity for cheaper penetration of health insurance which is likely to become more affordable for a larger percentage of the population.

**Medical Tourism**

Medical tourism has gained momentum over the years and India is fast emerging as a major medical tourist destination. As governments across the globe and patients worldwide struggle with soaring health care costs, the relatively low cost of surgery and critical care in India is drawing the attention of global healthcare providers.

**THREATS****Stiff competition**

The performance of health care industry has been very encouraging and as a result of the significant growth and opportunities in the industry, many new players are entering into hospital sector. This is causing increased competition for business, man power, market share etc.

**High capital investment**

The health care industry is capital intensive and substantial capital amounts are required for establishing and modernising hospitals.

**Obsolescence of medical equipments**

Rapid technological change in the medical equipments is a common factor in health care industry. The product innovation and evolving technologies push the health care industry to frequently upgrade its equipments.

**Increasing inflation**

The inflation in India is continuously on the increase. This could cause spurt in the cost of transportation, wages, raw materials and equipments.

### **Shortage of skilled manpower**

Increasing health awareness, rising income levels, emergence of various domestic hospital chains have increased the demand for medical professionals, para-medical staff, nurses, technicians etc. putting pressure on the available resources.

### **EXPANSION PLAN**

The Hospital in order to enhance the patient satisfaction has decided to add 150 beds to its existing capacity - 75 beds for Emergency & Intensive Care and 75 beds for patient rooms at Main Center. In addition, it has also undertaken modernization / renovation work at Erode Center as well as at City Center. The capital expenditure for the above plans outlined will be approximately ₹ 80 crore.

As a part of our ambitious growth plans, we plan to set up a new Hospital in Chennai in order to reach out to wider population. It is envisaged to have a 300 bed Hospital at an estimated cost of ₹ 300 crore.

The above projects will be funded by existing funds, internal accruals, incremental debt and equity. It is always our endeavor to provide improved outcomes to patients and in this regard we have added one more speciality i.e. liver transplant.

### **RISK MANAGEMENT**

Risk is an integral part of business process. As your company grows, naturally it will be exposed to higher degree of risk. The company has mapped the risks covering various aspects of business like operational, legal, treasury and regulatory. Risk Mitigation activity plans are established and executed as and when need arises. Periodical reviews are carried out to assess the risk levels.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has established internal control systems to ensure optimum use in protecting its resources and ensuring adherence to its policies, procedures and statutes.

There is proper and adequate system of internal control for the company and its subsidiary. The company has also employed an independent firm of Chartered Accountants to review the adequacy of internal control system, procedures and policies. The internal auditors evaluate the adequacy of the internal control systems by testing the control mechanism and give their recommendations to the management.

### **CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis describing the health care sector's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.



**REPORT ON CORPORATE GOVERNANCE  
(Annexure to the Twenty Eighth Directors' Report 2013-14)**

**INTRODUCTION**

The Securities and Exchange Board of India has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreement with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

**1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The company is committed to do business in an efficient, responsible, honest and ethical manner. The core value of company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. The company is committed to learn and adopt the best practice of corporate governance. It is the companies endeavor to attain highest level of governance to enhance the shareholder's value.

**2. BOARD OF DIRECTORS**

**(a) Composition**

As on 31<sup>st</sup> March 2014, the strength of the Board is twelve Directors of which three are Executive Directors and an Alternate Director. As per Clause 49 of the listing agreement, if the Chairman is an Executive Chairman, atleast half of the Board should comprise of independent directors. There are six independent Directors in our Board.

None of the Directors on the Board hold office of Director in more than fifteen companies or membership of the committees of the Board in more than ten committees and Chairmanship of more than five committees, across all companies.

No.	Name of the Director	Category of Directors	Directorship in other Public Ltd. Companies	Membership and/or Chairperson of Committees in other Public Ltd. Companies
1.	Dr. Nalla G Palaniswami	Promoter & Executive	2	---
2.	Dr. Thavamani Devi Palaniswami	Promoter & Executive	4	---
3.	Dr. Mohan S Gounder	Executive	3	---
4.	Mr. Kasi K Goundan	Independent & Non-Executive	---	---
5.	Dr. M. Manickam	Independent & Non-Executive	10	3
6.	Dr. K.S.K. Murugaiyan	Non-independent & Non-Executive	---	---
7.	CA.A.M. Palanisamy	Independent & Non-Executive	2	---
8.	Dr. P.R. Perumalswami	Non-independent & Non-Executive	---	---
9.	Dr. M.C. Thirumoorthi	Promoter, Non-Executive & Non-independent	1	---
10.	Mr. A.K. Venkatasamy	Independent & Non-Executive	3	---
11.	Mr. K. Saminathan	Independent & Non-Executive	---	---
12.	Dr. M.A. Muthusethupathi	Independent & Non-Executive	---	---
13.	Dr. S. Krishnasamy (Alternate to Dr. P.R. Perumalswami)	Independent & Non-Executive	1	---

**(b) Meetings**

The Board met five times during the year i.e. on May 18, 2013, August 6, 2013, October 26, 2013, December 12, 2013 and February 8, 2014.

Attendance details of each director at the Board Meetings and at the last AGM are set out below:

No.	Name of the Director	No. of Meetings held during the Year	No. of Meetings attended during the Year	Attendance at the last AGM
1.	Dr. Nalla G Palaniswami	5	5	Yes
2.	Dr. Thavamani Devi Palaniswami	5	5	Yes
3.	Dr. Mohan S Gounder	5	2	Yes
4.	Mr. Kasi K Goundan	5	1	No
5.	Dr. M. Manickam	5	5	No
6.	Dr. K.S.K. Murugaiyan	5	1	No
7.	CA. A.M. Palanisamy	5	5	Yes
8.	Dr. P.R. Perumalswami	5	1	No
9.	Dr. M.C. Thirumoorthi	5	---	No
10.	Mr. A.K. Venkatasamy	5	5	Yes
11.	Mr. K. Saminathan	5	5	Yes
12.	Dr. M.A. Muthusethupathi	5	---	Yes
13.	Dr. S. Krishnasamy (Alternate to Dr. P.R. Perumalswami)	5	2	No

### (c) General Meetings

During the period, one General Meeting was held as per the details hereunder:

Particulars	27 <sup>th</sup> AGM 2013
Date of Meeting	19 <sup>th</sup> July 2013
No. of Members Attended	304
No. of Proxies Attended	6
Chairman of the Meeting	Dr. Nalla G Palaniswami
Chief Financial Officer	CA. P.K. Gopikrishnan
Company Secretary	CS. S.P. Chittibabu



**3. COMPOSITION OF BOARD COMMITTEES**

For effective and efficient functioning of the Company, the Board has formed the following Committees:

- a. Audit Committee
- b. Remuneration Committee / Compensation Committee
- c. Shareholders' / Investors' Grievance Cum Share Transfer Committee

**(a) AUDIT COMMITTEE**

The Board of Directors of the Company have formed a sub-committee of the Board as Audit Committee consisting of four Non-Executive Directors viz. CA. A.M.Palanisamy, Dr.K.S.K.Murugaiyan, Mr.A.K.Venkatasamy and Mr.K.Saminathan. The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956 and Clause 49 II of the Listing Agreement with the Stock Exchanges.

S.No.	Name of the Members	Status	No. of Meetings Attended
1.	CA. A.M. Palanisamy	Chairman	4
2.	Dr. K.S.K. Murugaiyan	Member	1
3.	Mr. A.K. Venkatasamy	Member	4
4.	Mr. K. Saminathan	Member	4
<b>Name of the Invitees</b>			
1.	Mr. C.S. Sathyanarayanan	Statutory Auditor	4
2.	CA. P.K. Gopikrishnan	Chief Financial Officer	4
3.	CS. S.P. Chittibabu	Company Secretary	4

Any two members, present shall constitute the quorum. Four meetings were held during the year.

**(b) REMUNERATION COMMITTEE / COMPENSATION COMMITTEE**

The Board of Directors of the Company have formed a Sub-Committee of the Board known as Remuneration Committee consisting of three Non-Executive Directors viz. C.A. A.M.Palanisamy, Dr.K.S.K.Murugaiyan and Mr.A.K.Venkatasamy. C.A. A.M.Palanisamy, an Independent Director is the Chairman of the Committee.

The remuneration for Chairman and Managing Director for the Financial Year ended 31.03.2014 is paid on the basis of the approval accorded by the shareholders in the 23<sup>rd</sup> Annual General Meeting held on July 31, 2009 and in accordance with and subject to the limits laid down in Schedule XIII to the Companies Act, 1956.

The remuneration for Joint Managing Directors for the Financial Year ended 31.03.2014 is paid on the basis of the approval accorded by the Shareholders in the 24<sup>th</sup> Annual General Meeting held on August 12, 2010 and 27<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> July 2013 and in accordance with and subject to the limits laid down in Schedule XIII to the Companies Act, 1956.

The Committee also recommends the remuneration and changes therein of Managing Director and Joint Managing Directors within the limits approved by the Shareholders.

Details of remuneration paid / payable to Chairman and Managing Director and Joint Managing Directors for the year ended 31<sup>st</sup> March 2014 are as follows:

(₹ in lacs)

Name of the Directors	Total Remuneration	Fixed Component	Variable Component
Dr. Nalla G Palaniswami Chairman and Managing Director	106.30	19.50	86.80
Dr. Thavamani Devi Palaniswami Vice Chairman and Joint Managing Director	104.81	18.01	86.80
Dr. Mohan S Gounder Joint Managing Director	50.52	50.52	---

Non-executive Directors were paid sitting fees for attending Board Meetings.

**(c) SHAREHOLDERS' / INVESTORS' GRIEVANCE CUM SHARE TRANSFER COMMITTEE**

● **Terms of Reference**

The Board of Kovai Medical Center and Hospital Limited constituted a Shareholders' / Investors' Grievance cum Share Transfer Committee to facilitate prompt and effective redressal of shareholders' complaints and reporting of the same to the Board periodically.

● **Composition**

This Committee meets approximately every fortnight to consider the request for transfer of shares and investors' grievance received on regular basis.

S.No.	Name of the Members	Status
1.	Dr. Nalla G Palaniswami	Member
2.	CA. A.M. Palanisamy	Chairman
3.	Dr. K.S.K. Murugaiyan	Member
4.	Mr. K.Saminathan	Member
<b>Name of the Invitee</b>		
1.	CS. S.P. Chittibabu	Company Secretary

Investor grievances are usually attended within 15 days from the date of lodgement with the company except in cases that were constrained by disputes and legal issues. The members may write for their queries to the Secretarial Department of the Company.

During the financial year ended 31.03.2014 fourteen meetings of Shareholders' / Investors' Grievance Cum Share Transfer Committee were held and the company has received seven complaints (upto March 2014) from the shareholders. All the complaints were redressed to the satisfaction of the shareholders.

CS. S.P. Chittibabu, Company Secretary of the Company is appointed as Compliance Officer.

#### 4. SUBSIDIARY

As per Clause 49 of the Stock Exchanges Listing Agreement, your Company does not have any Material non-listed Subsidiary Company, whose turnover or net worth exceeded, 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries, in the immediately preceding accounting year.

#### 5. DISCLOSURES

##### (a) Related Party Transactions

Details of related party transactions are disclosed in Note No.35 forming part of the Accounts, as required under Accounting Standard 18 of the Companies (Accounting Standard) Rules, 2006 and all related party transactions are negotiated, on an arm's length basis.

There were, no materially significant related party transactions with directors, promoters, management, relatives or related Companies etc. which had potential conflict, with the interests of the Company at large.

Transactions, in which directors, may have substantial interest, are submitted to the Board and the interested directors, neither participate in the discussion, nor do they vote in such matters. Details of related party transactions are reviewed by the Audit Committee periodically.

##### (b) Compliance by the Company

The Company has fairly complied with the requirements of the Stock Exchanges and SEBI. During the last three years, no penalties or strictures have been imposed on the Company, by the Stock Exchanges or SEBI on any matter. The Board reviews periodically, the compliance report of all laws applicable to the Company.

##### (c) Accounting Treatment

The Accounting Standards issued by the Companies (Accounting Standard) Rules, 2006 is followed by the Company and the Company has not adopted, a treatment different from that prescribed by any Accounting Standard in preparation of financial statements.

##### (d) Risk Management

The management continuously evaluates business risk and review the probable risks, that may have an adverse impact on the operations and profitability of the Company and gives suitable solutions to mitigate such risks.

##### (e) Insider Trading Policy

The code of conduct for prevention of Insider Trading, as suggested under the SEBI (Prohibition of Insider Trading) Regulations, 1992 has been introduced with effect from 25.11.2002. The Company Secretary has been designated as the Compliance Officer for this purpose. The Board monitors the adherence to the various requirements as set out in the code. No violation of the code has taken place during the year.

**(f) CEO/CFO Certification**

Pursuant to the provisions of Sub Clause V of the revised Clause 49 of the Listing Agreement with the Stock Exchanges, the Chairman and Managing Director (CEO) and Chief Financial Officer (CFO) have issued a Certificate to the Board as required for the Financial Year ended 31<sup>st</sup> March 2014.

**(g) Code of Conduct**

The Company's Board has laid down code of conduct for the employees at all level including Senior Management and Directors of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the code of conduct.

A declaration signed by the Chairman and Managing Director to this effect is enclosed at the end of the Report.

**(h) Compliance with Corporate Governance Norms**

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement with the Stock Exchanges.

**(i) Management**

The Management Discussion and Analysis form part of the Directors' Report.

**(j) Unpaid/Unclaimed Dividend**

In view of the amendment to Section 205A(5) of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, any money transferred to unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, will be transferred to Investor Education and Protection Fund set up by the Govt. of India. No claim shall lie in respect thereof.

During the year, the company has transferred a sum of ₹ 3.52 lacs pertaining to the year 2005-06 as unclaimed dividend to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956.

S.No.	Financial Year	Date of Declaration of Dividend	Due date for transfer to Investor Education and Protection Fund of Govt. of India
1.	2006-07	September 28, 2007	October 26, 2014
2.	2007-08	August 29, 2008	September 27, 2015
3.	2008-09	July 31, 2009	August 29, 2016
4.	2009-10	August 12, 2010	September 10, 2017
5.	2010-11	August 23, 2011	September 21, 2018
6.	2011-12	July 13, 2012	August 11, 2019
7.	2012-13	July 19, 2013	August 17, 2020

**(k) Equity Shares in Suspense Account**

In compliance with Clause 5A of the Listing Agreement with Stock Exchanges, the Company reports the following details of shares lying in "Unclaimed Suspense Account".

- a. Aggregate Number of Shareholders and the outstanding lying in the Unclaimed Suspense Account at the beginning of the year : 46 shareholders - 6,400 shares
- b. Number of shareholders who approached issuer for transfer of shares from suspense account during the year : 1
- c. Number of shareholders to whom shares were transferred from suspense account during the year : 1
- d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31<sup>st</sup> March 2014 : 45 shareholders - 6,300 shares

As per the listing agreement, separate Demat Suspense Account has been opened with the Depository Participant and the voting rights on the shares outstanding in the suspense account as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

**6. MEANS OF COMMUNICATION**

**Quarterly Results:** The quarterly financial results are generally published within forty five days from the end of each quarter.

**Audited Results:** The audited results are announced within sixty days from the end of the last quarter as stipulated in the listing agreement with the Stock Exchanges. The audited annual financial results form a part of the Annual Report and the same is being sent to the shareholders prior to the Annual General Meeting.

**Website:** The quarterly, half yearly and annual financial statements are posted on the Company's website viz: [www.kmchhospitals.com](http://www.kmchhospitals.com).



## 7. SHAREHOLDERS' MEETING

- The date, venue and time of the Annual General Meetings held during the preceding three years are given below:

Year	Date	Venue	Time
2012-13	19.07.2013	A.P.Kalyana Mandapam, Goldwins, Coimbatore	11.00 a.m.
2011-12	13.07.2012	KMCH Auditorium, KMCH Campus, Avanashi Road, Coimbatore	11.00 a.m.
2010-11	23.08.2011	A.P.Kalyana Mandapam, Goldwins, Coimbatore	11.00 a.m.

### Postal Ballot

During the year no ordinary or special resolutions were passed by the members through postal ballot.

## 8. GENERAL SHAREHOLDERS' INFORMATION

- a. AGM Date, Time and Venue      03<sup>rd</sup> September 2014 at 3.00 p.m.  
"KMCH Auditorium", KMCH Campus,  
Avanashi Road, Coimbatore – 641 014

b. Financial Calendar

1 <sup>st</sup> Quarter	1 <sup>st</sup> April to 30 <sup>th</sup> June
2 <sup>nd</sup> Quarter	1 <sup>st</sup> July to 30 <sup>th</sup> September
3 <sup>rd</sup> Quarter	1 <sup>st</sup> October to 31 <sup>st</sup> December
4 <sup>th</sup> & last Quarter	1 <sup>st</sup> January to 31 <sup>st</sup> March

- c. Date of Book closure      27<sup>th</sup> August 2014 to 3<sup>rd</sup> September 2014  
(both days inclusive)

- d. Dividend Payment date      On or before 2<sup>nd</sup> October 2014



- e. Listing of
- i. Equity Shares
    - Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai – 400 001
    - Madras Stock Exchange Limited (MSE)  
Exchange Building, Post Box No.183  
11 Second Line Beach, Chennai – 600 001
  - ii. Listing Fees
    - Paid for all the above Stock Exchanges for  
2013 - 14 and 2014 - 15
- 
- f. Custodial Fees
  - Paid the fees to NSDL and CDSL for 2013 - 14  
and 2014 - 15

g. Address of the Registered Office
  - Post Box No.3209, Avanashi Road  
Coimbatore – 641 014

h. Stock Exchange Security Code for  
Equity Shares

  - Bombay Stock Exchange Limited
    - Scrip Code : 523323, Scrip Name : KOVAIMD
  - Madras Stock Exchange Limited
    - Scrip Name : KOVAI

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i. Demat ISIN Numbers in NSDL &  
CDSL for Equity Shares
  - INE 177F01017

j. Hospital Branches

  - 1. KMCH – City Center  
18 Vivekananda Road, Ram Nagar  
Coimbatore – 641 009
  - 2. KMCH – Erode Center  
68 Perundurai Road  
Erode – 638 011
  - 3. KMCH Speciality Hospital  
16 Palaniappa Street  
Erode – 638 009

## 9. SECRETARIAL AUDIT

For each of the quarter in the Financial Year 2013 - 2014, a qualified Practising Company Secretary, carried out Secretarial Audits as stipulated by the Securities and Exchange Board of India to reconcile the total admitted capital, with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital.

The Audit Reports confirm the total issued / paid-up capital, is in agreement with total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL and in respect of the above, quarterly Secretarial Audit Report was filed with the Stock Exchanges.

## 10. STOCK MARKET DATA

Monthly high and low quotations of shares traded on Bombay and Madras Stock Exchanges for the period April 2013 to March 2014 is given below. As per the arrangement of Madras Stock Exchange with National Stock Exchange as approved by SEBI, the securities are allowed to be traded at NSE platform.

Month	BSE		MSE	
	High ₹	Low ₹	High ₹	Low ₹
April 2013	174.00	155.00	172.00	164.00
May 2013	185.00	160.15	184.00	162.00
June 2013	169.90	152.50	168.00	155.05
July 2013	169.95	150.00	165.00	153.00
August 2013	159.95	122.60	160.00	125.25
September 2013	140.00	122.00	136.10	123.00
October 2013	140.00	128.00	139.95	127.15
November 2013	137.90	128.15	141.00	128.00
December 2013	164.80	130.00	167.45	128.00
January 2014	163.95	138.00	155.00	140.00
February 2014	153.55	136.85	148.00	137.50
March 2014	158.00	139.70	160.60	141.00

## 11. REGISTRAR & SHARE TRANSFER AGENT AND DEPOSITORY REGISTRAR

GNSA Infotech Limited  
 STA Department  
 Nelson Chambers, F-Block  
 4<sup>th</sup> Floor, No.115 Nelson Manickam Road  
 Aminjikarai, Chennai – 600 029

Tel. No.: 044 – 42962025  
 Fax No.: 044 – 42962025  
 E-mail : sta@gnsaindia.com

### 12. a. SHARE TRANSFER SYSTEM

Request for transfer of shares held in physical forms, received by the company are processed and generally, the share certificates are despatched within the stipulated time under the Companies Act, 1956 and the listing agreement with the Stock Exchanges provided, these documents are clear and complete in all aspects except, in cases where there are disputes over title of shares.

Certificate of compliance for share transfer formalities as required under Clause 47(c) of the listing agreement with the Stock Exchanges was obtained from a Company Secretary in Practice and filed with the Stock Exchanges.

### b. DEMATERIALISATION OF SHARES

The Company has already entered into agreements, with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable members of the Company, to select the Depository of their choice for holding and dealing shares in electronic form.

The shareholders are requested to make use of such facility for maximizing their convenience in dealing with Company's shares. The ISIN (International Securities Identification Number) of the Company is INE 177F01017.

As on 31.03.2014, 40.42% of the Company's paid-up equity capital was held in dematerialized form.

The Company has not issued any ADRs/GDRs/Warrants or any Convertible Instruments during the year.

### 13. DISTRIBUTION OF SHAREHOLDERS

(a) Distribution of shareholding as at 31<sup>st</sup> March 2014.

No. of Equity Shares (Slab)	No. of Shareholders	Percentage of Shareholders	Nos.	Percentage of Shareholding
1 – 500	5518	85.48	764698	6.99
501 – 1000	482	7.47	448359	4.10
1001 – 2000	144	2.23	236969	2.16
2001 – 3000	73	1.13	190297	1.74
3001 – 4000	30	0.47	108426	0.99
4001 – 5000	20	0.31	95162	0.87
5001 – 10000	64	0.99	539818	4.93
Above 10000	124	1.92	8558533	78.22
<b>Total</b>	<b>6455</b>	<b>100.00</b>	<b>10942262</b>	<b>100.00</b>

(b) Categories of shareholders as on 31<sup>st</sup> March 2014

S.No.	Category of Shareholders	Total number of Shares	Percentage (%)
1.	Promoters	5454640	49.84
2.	Bodies Corporate	1015938	9.29
3.	General Public	2898382	26.49
4.	Non-Resident Indians	1573302	14.38
	<b>Total</b>	<b>10942262</b>	<b>100.00</b>

### 14. DECLARATION BY THE CHAIRMAN AND MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Sub-Clause I (D)(ii) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with their respective code of conduct, as applicable to them, for the Financial Year ended 31<sup>st</sup> March 2014.

For Kovai Medical Center and Hospital Limited

Coimbatore  
23.05.2014

**DR. NALLA G PALANISWAMI**  
CHAIRMAN AND MANAGING DIRECTOR



**COMPLIANCE CERTIFICATE**  
(Under clause 49 of the Listing Agreement)

To

**The members of KOVAI MEDICAL CENTER AND HOSPITAL LIMITED, Coimbatore.**

I have examined the compliance of conditions of Corporate Governance by **KOVAI MEDICAL CENTER AND HOSPITAL LIMITED**, for the year ended on 31.03.2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Coimbatore  
23.05.2014

**R. Ramchandar** B.Com., ACS  
Company Secretary in Practice  
Membership No. 33068  
CP. No. 12240





## INDEPENDENT AUDITORS' REPORT

To

### **The Members of Kovai Medical Center and Hospital Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Kovai Medical Center and Hospital Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing the Companies (Accounting Standard) Rules, 2006. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

**For Haribhakti & Co.,**  
Chartered Accountants  
Firm Reg. No.103523W

Coimbatore  
23.05.2014.

**C.S. Sathyanarayanan**  
Partner  
Membership No.028328

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Kovai Medical Center and Hospital Limited on the financial statements for the year ended 31st March 2014]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.
- (b) As informed, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(f) and (g) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five Lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Customs Act	Customs Duty	189.46 Lacs	1999 – 2000 & 2000 – 2001	High Court, Chennai.

- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.



- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Haribhakti & Co.,**  
Chartered Accountants  
Firm Reg. No.103523W

Coimbatore  
23.05.2014

**C.S. Sathyanarayanan**  
Partner  
Membership No.028328



## Balance Sheet

### BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2014

(₹ in lacs)

Particulars	Note	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholder's Funds</b>					
(a) Share Capital	2	1,094.23		1,094.23	
(b) Reserves & Surplus	3	9,129.90		6,950.02	
			10,224.13		8,044.25
<b>2. Non-Current Liabilities</b>					
(a) Long - Term Borrowings	4	15,414.41		17,943.39	
(b) Deferred Tax Liabilities (Net)	5	2,570.51		2,116.09	
(c) Other Long Term Liabilities	6	212.19		153.52	
(d) Long - Term Provisions	7	370.94		325.61	
			18,568.05		20,538.61
<b>3. Current Liabilities</b>					
(a) Short - Term Borrowings	8	419.21		453.64	
(b) Trade Payables	9	1,025.32		739.50	
(c) Other Current Liabilities	10	4,481.12		4,357.27	
(d) Short - Term Provisions	11	345.22		335.48	
			6,270.87		5,885.89
<b>TOTAL</b>			<b>35,063.05</b>		<b>34,468.75</b>
<b>ASSETS</b>					
<b>1. Non- Current Assets</b>					
(a) Fixed Assets:	12				
(i) Tangible Assets			27,696.09		27,908.76
(ii) Intangible Assets			22.07		37.06
(iii) Capital Work-in-Progress			493.59		471.73
(b) Non-Current Investment	13		360.27		360.27
(c) Long-Term Loans and Advances	14		1,120.49		1,174.49
<b>2. Current Assets</b>					
(a) Inventories	15	968.39		891.95	
(b) Trade Receivables	16	725.05		414.98	
(c) Cash and Cash Equivalents	17	3,492.70		3,095.63	
(d) Short -Term Loans and Advances	18	119.79		59.79	
(e) Other Current Assets	19	64.61		54.09	
			5,370.54		4,516.44
<b>TOTAL</b>			<b>35,063.05</b>		<b>34,468.75</b>

Significant Accounting Policies & Notes on Financial Statements 1 to 39

Vide our report of even date attached

**For Haribhakti & Co.,**

Chartered Accountants  
Firm Reg.No. 103523W

**C.S. SATHYANARAYANAN**

Partner  
Membership No. 028328

Coimbatore  
23.05.2014

**Dr. NALLA G PALANISWAMI**

Chairman and Managing Director

**CA.A.M. PALANISAMY**

Director

**CA.P.K. GOPIKRISHNAN**

Chief Financial Officer

**CS.S.P. CHITTIBABU**

Company Secretary





## Statement of Profit and Loss

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014

(₹ in lacs)

Particulars	Note	For the year ended 31 <sup>st</sup> March 2014	For the year ended 31 <sup>st</sup> March 2013
<b>INCOME</b>			
Revenue from Operations	20	33,414.28	29,713.38
Other Income	21	461.47	305.51
<b>Total Income</b>		<b>33,875.75</b>	<b>30,018.89</b>
<b>EXPENSES</b>			
Hospital Consumables	22	5,153.33	4,556.30
Purchase of Medicines (Pharmacy)	23	5,474.71	4,728.61
Changes in Inventories (Pharmacy)	24	(45.17)	(110.57)
Employee Benefits Expense	25	5,269.02	4,868.40
Finance Cost	26	2,394.11	2,746.29
Depreciation & Amortization Expenses	12	1,629.65	1,450.68
Other Expenses	27	10,268.16	8,645.91
<b>Total Expenses</b>		<b>30,143.81</b>	<b>26,885.62</b>
<b>Profit Before Tax</b>		<b>3,731.94</b>	<b>3,133.27</b>
<b>Tax Expenses</b>			
Current Tax (Net)	28	905.62	503.60
Prior Year Tax		-	8.72
Deferred Tax		454.42	496.18
<b>Profit for the Year</b>		<b>2,371.90</b>	<b>2,124.77</b>
<b>Earnings Per Equity Share (in ₹)</b>			
Basic & Diluted ( Face Value of ₹ 10 each )	29	21.68	19.42

Significant Accounting Policies & Notes on Financial Statements

1 to 39

Vide our report of even date attached

**For Haribhakti & Co.,**

Chartered Accountants

Firm Reg.No. 103523W

**C.S. SATHYANARAYANAN**

Partner

Membership No. 028328

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Chief Financial Officer

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Company Secretary



## Cash Flow Statement

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Profit before taxation and exceptional items		3,731.94		3,133.27
Adjustment for :				
Depreciation	1,629.65		1,450.68	
Interest Expenses	2,394.11		2,746.29	
Interest Income	(272.62)		(202.77)	
Loss on sale of Assets	58.70		2.20	
Dividend Income	(1.25)	3,808.59	(0.77)	3,995.63
<b>Operating profit before working capital changes</b>		<b>7,540.53</b>		<b>7,128.90</b>
<b>Change in Working Capital</b>				
Inventories	(76.44)		(166.07)	
Trade & Other Payables	529.43		(13.58)	
Trade & Other Receivables	(470.44)	(17.45)	(93.32)	(272.97)
<b>Cash generated from operations</b>		<b>7,523.08</b>		<b>6,855.93</b>
Income Tax/Wealth Tax Paid		(761.77)		(674.99)
<b>Net cash from operating activities (A)</b>		<b>6,761.31</b>		<b>6,180.94</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	(1,499.49)		(1,023.88)	
Sale of Fixed Assets	16.94		8.35	
Interest Received	272.62		202.77	
Dividend Received	1.25		0.77	
<b>Net cash from investing activities (B)</b>		<b>(1,208.68)</b>		<b>(811.99)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Long term Borrowings (Net of repayment)	(2,537.21)		(1,802.97)	
Working Capital Borrowings	(34.43)		(43.72)	
Dividend & Tax on Dividend Paid	(189.81)		(156.70)	
Interest Paid	(2,394.11)		(2,746.29)	
<b>Net cash used in financing activities (C)</b>		<b>(5,155.56)</b>		<b>(4,749.68)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>397.07</b>		<b>619.27</b>
<b>Cash and Cash equivalent at beginning of Period</b>		<b>3,095.63</b>		<b>2476.36</b>
<b>Less: Bank Balances not considered as Cash &amp; Cash equivalents as per AS 3</b>		<b>42.77</b>		<b>40.28</b>
<b>Cash and Cash equivalent at end of Period</b>		<b>3,449.93</b>		<b>3,055.35</b>

Vide our report of even date attached

**For Haribhakti & Co.,**

Chartered Accountants

Firm Reg.No. 103523W

**C.S. SATHYANARAYANAN**

Partner

Membership No. 028328

Coimbatore

23.05.2014

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**CA.A.M. PALANISAMY**

Director

**CA.P.K. GOPIKRISHNAN**

Chief Financial Officer

**CS.S.P. CHITTIBABU**

Company Secretary

**NOTE NO. 1**
**A. NATURE OF OPERATIONS**

Kovai Medical Center and Hospital Limited was incorporated in the year 1985 and commenced its hospital operation in the year 1990 with the flagship of Multi-Speciality Hospital at Coimbatore and has thereafter set up the City Center, Erode Center and Erode speciality hospitals. The company's equity shares are listed on both Bombay Stock Exchange and Madras Stock Exchange.

**B. SIGNIFICANT ACCOUNTING POLICIES :**
**(i) USE OF ESTIMATES**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(ii) ACCOUNTING CONVENTION**

The Financial statements have been prepared under the Historical Cost Convention, under accrual method of accounting and as a going concern, in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India and the Mandatory Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 and according to the provisions of the Companies Act, 1956.

**(iii) FIXED ASSETS**

Fixed Assets are stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation, amortization and impairment. Cost includes preoperative expenses and all expenses related to acquisition and installation of the concerned assets.

**(iv) BORROWING COSTS**

Borrowing Costs attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. All the other borrowing costs are charged to revenue. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

**(v) IMPAIRMENT OF ASSETS**

As at each Balance Sheet date, the carrying amount of fixed assets is tested for impairment so as to determine.

- a) the provision for impairment loss, if any, required or
- b) the renewal, if any, required of impairment loss recognized in previous periods. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

**(vi) INVESTMENTS**

Current Investments are carried at lower of cost and market value. Long Term Investments are stated at cost. Provisions for diminution in value of long-term investments are made, if the diminution is other than temporary.

**(vii) DEPRECIATION AND AMORTIZATION**

Depreciation is provided on Straight Line Method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the company for its use.

**(viii) LEASES**

Where the company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Asset subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

**(ix) INVENTORIES**

- a) Inventories are valued at lower of cost and estimated net realizable value.
- b) Cost is arrived at on First-in-First Out (FIFO) basis.

**(x) FOREIGN CURRENCY TRANSACTIONS**

- a) Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.
- b) Foreign Currency monetary assets and liabilities at the year end are realigned to the exchange rate prevailing at the year end and the difference on realignment is adjusted in the cost of the respective assets.
- c) Non-monetary foreign currency items are carried at cost.

**(xi) REVENUE RECOGNITION**

Income and Expenditure are generally accounted on accrual basis except those with significant uncertainties.

**Operating Income**

- a) The income by way of Doctors' Consultancy Fees and the consequent liability towards Doctor's consultation charges are considered as accrued as and when the amounts are finalized and certainty of recovery from Patients is ascertained.
- b) The insurance claims are accounted as and when the claims are settled or accepted by the insurance company whichever is earlier.
- c) Revenue from sale of dietary items / pharmacy items are recognised as and when the services are rendered / goods sold.

**Income from Sponsorships**

Revenue is recognised as and when the services are rendered at the center.

**Income from Academic services**

Revenue is recognised on pro-rata basis on the completion of such services over the duration of the program.

**Income from Rent**

Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees on straight line basis.

**Income from Interest / dividend**

- a) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- b) Dividend income is recognised as and when the right to receive Dividend is established.

**(xii) TAXES ON INCOME**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessments/appeals.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax asset on carry forward of losses are recognized only when there is virtual certainty that future taxable income will be available against which such deferred tax asset can be recognized.

**(xiii) RETIREMENT BENEFITS**

- a) Payments to defined contribution schemes are charged as expense as and when incurred.
- b) Post employment and other long term benefits which are defined benefit plans are recognized based on the present value of the obligation determined in accordance with Accounting Standard (AS) - 15 on "Employee Benefits".

**(xiv) PROVISIONS**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(xv) CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.



**EQUITY AND LIABILITIES  
SHAREHOLDERS FUNDS**
**2. SHARE CAPITAL**

Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	Number	( ₹ in lacs )	Number	( ₹ in lacs )
<b>Authorised</b>				
15000000 Equity Shares of ₹ 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued, Subscribed & Paid-up 10942262 Equity Shares of ₹ 10/- each	<b>1,09,42,262</b>	<b>1,094.23</b>	<b>1,09,42,262</b>	<b>1,094.23</b>

**a. Details of Shareholders holding more than 5% shares in the company :**

Name of the Shareholder	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	Equity Shares		Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Dr. Thavamani Devi Palaniswami	20,60,017	18.82	20,39,817	18.64
2. Dr. Mohan S Palaniswami	8,49,769	7.76	8,49,769	7.76
3. Dr. Arun N Palaniswami	7,79,948	7.12	7,79,948	7.12
4. Kovai Purani Finance Private Limited	7,33,999	6.71	7,23,999	6.62
5. Dr. Purani P Palaniswami	6,67,491	6.10	6,67,491	6.10

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share. The dividend Proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	No of shares (Nos)	(₹ in lacs)	No of shares (Nos)	(₹ in lacs)
<b>At the beginning / Closing of the period</b>	1,09,42,262	1,094.23	1,09,42,262	1,094.23

c. There are no shares issued as fully paid up pursuant to contract without being received in cash, bonus shares and shares bought back in the immediately preceding 5 years.

**3. RESERVES & SURPLUS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
a. General Reserve		
Opening Balance	3,594.95	3,444.95
Add:- Profit transferred from statement of profit and loss	150.00	150.00
	<b>3,744.95</b>	<b>3,594.95</b>
b. Surplus in statement of profit and loss		
- Opening Balance	3,355.07	1,572.32
Add :- Profit transferred from statement of profit and loss	2,371.90	2,124.77
Less:-		
- Proposed Dividend	164.13	164.13
- Tax on Dividend	27.89	27.89
- Transfer to General Reserve	150.00	150.00
- Surplus in statement of Profit & Loss	<b>5,384.95</b>	<b>3,355.07</b>
	<b>9,129.90</b>	<b>6,950.02</b>
<b>Total (A+B)</b>		

**NON - CURRENT LIABILITIES**
**4. LONG - TERM BORROWINGS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	Non-Current Portion	Non-Current Portion	Current Maturities	Current Maturities
Secured				
(a) Term loans from Banks	15,246.56	17,668.41	2,421.89	2,437.33
(b) From Others	167.85	274.98	107.13	99.92
	<b>15,414.41</b>	<b>17,943.39</b>	<b>2,529.02</b>	<b>2,537.25</b>
Amount disclosed under the head "Other Current Liabilities - Current maturities of Long - Term Debt" (Note no. 10)	-	-	(2,529.02)	(2,537.25)
<b>Net Amount</b>	<b>15,414.41</b>	<b>17,943.39</b>	<b>-</b>	<b>-</b>

**A. Security Particulars of Secured Loans**

- i. The term loans availed from Indian Bank and Indian Overseas Bank are primarily Secured by:
  - a) Pari passu first charges on the Land and appurtenances therewith located at Kalapatti Village at Coimbatore and land located at Erode.
  - b) Pari passu charge on the entire Fixed Assets (Present & Future) of the Company.
  - c) Charge on the leasehold rights of the building at Erode in the name of M/s. Idhayam Hospitals Erode Limited, Erode.
  - d) Charge on the leasehold rights of the medical equipments in the name of M/s. Idhayam Hospitals Erode Limited, Erode.

The above facilities are also collaterally secured by a pari passu second charge on the entire current assets of the Company.
- ii. In addition to the above, the subsidiary Company has given corporate guarantee to the limits availed by the Company.
- iii. The term loans and working capital facilities are further guaranteed by the personal guarantees of the Chairman and Managing Director and Vice Chairman and Joint Managing Director of the Company. The term loans carries interest rates varying from 12.45% to 12.50% per annum.
- iv. Secured Loans from others represent Hire Purchase loans from SREI Equipments Finance Pvt Ltd secured by hypothecation of assets purchased and it carries interest rates varying from 6.80% to 8.70% per annum.

**B. Repayment Details :**
**i. Secured Loans from Indian Bank**

- (a) Term Loan (Revolving Limit) - The loan is repayable in 8 monthly instalments aggregating to ₹ 72.73 Lacs (Previous Year : ₹ 181.82 Lacs).
- (b) Term Loan (Subordinate Loan) - The loan is repayable in 72 monthly instalments aggregating to ₹ 326.10 Lacs (Previous Year : ₹ 380.70 Lacs).
- (c) Term Loan (I Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 2,254.48 Lacs (Previous Year : ₹ 2,576.56 Lacs).
- (d) Term Loan (II Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 2,062.50 Lacs (Previous Year : ₹ 2,271.50 Lacs).
- (e) Term Loan (III Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 1,554.00 Lacs (Previous Year : ₹ 1,739.00 Lacs).
- (f) Term Loan (Additional Loan) - The loan is repayable in 68 monthly instalments aggregating to ₹ 2,600.00 Lacs (Previous Year : ₹ 2,900.00 Lacs).

**ii. Secured Loans from Indian Overseas bank**

- (a) Term Loan (Subordinate Loan) - The loan is repayable in 72 monthly instalments aggregating to ₹ 327.60 Lacs (Previous Year : ₹ 382.08 Lacs).
- (b) Term Loan (I Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 2,254.60 Lacs (Previous Year : ₹ 2,576.56 Lacs).
- (c) Term Loan (II Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 2,063.48 Lacs (Previous Year : ₹ 2,272.52 Lacs).
- (d) Term Loan (III Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 1,552.96 Lacs (Previous Year : ₹ 1,738.00 Lacs).
- (e) Term Loan (Additional Loan) - The loan is repayable in 68 monthly instalments aggregating to ₹ 2,600.00 Lacs (Previous Year : ₹ 2,900.00 Lacs).

**iii. Secured Loans from others - SREI Equipments Finance Private Limited**

- (a) Hire Purchase Loan is repayable in 25 equated monthly instalments aggregating to ₹ 126.03 Lacs (Previous Year : ₹ 179.30 Lacs).
- (b) Hire Purchase Loan is repayable in 8 equated monthly instalments aggregating to ₹ 10.92 Lacs (Previous Year : ₹ 26.41 Lacs).
- (c) Hire Purchase Loan is repayable in 39 equated monthly instalments aggregating to ₹ 138.03 Lacs (Previous Year : ₹ 190.60 Lacs).

**5. DEFERRED TAX LIABILITIES (Net)**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Deferred Tax Liability on account of Accumulated Depreciation	2,800.79	2,306.20
Deferred Tax Asset on account of Provision for Bonus, Gratuity and Long Term Compensated absence	(230.28)	(190.11)
<b>Total</b>	<b>2,570.51</b>	<b>2,116.09</b>

**6. OTHER LONG - TERM LIABILITIES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(i) Rental Deposits	48.91	4.90
(ii) Others	163.28	148.62
<b>Total</b>	<b>212.19</b>	<b>153.52</b>

**7. LONG - TERM PROVISIONS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Provision for Gratuity (Unfunded) (Refer Note No. 31)	308.71	261.39
Provision for Long Term Compensated Absence (Unfunded) (Refer Note No. 31)	62.23	64.22
<b>Total</b>	<b>370.94</b>	<b>325.61</b>

**CURRENT LIABILITIES**
**8. SHORT - TERM BORROWINGS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Secured Cash Credit Loan from banks - Indian Bank	419.21	453.64
<b>Total</b>	<b>419.21</b>	<b>453.64</b>

The Company has availed working capital facility from Indian Bank which is primarily secured by :

- First Charge on current assets by way of hypothecation of present & future current assets including book debts & receivables.
- The above working capital facility is collaterally secured by all fixed assets mentioned in Item No.A i(a) to (d) in note no.4 long term borrowings.
- The working capital facility carries interest rate @ 12.45% per annum.

**9. TRADE PAYABLES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
Creditors				
i. Micro, Small and Medium Enterprises	37.15		109.11	
ii. Others	988.17		630.39	
		1,025.32		739.50
<b>Total</b>		<b>1,025.32</b>		<b>739.50</b>

The Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the "Micro, Small and Medium Enterprises Act, 2006". Based on the evidence available, there are no dues warranting interest payment under the "Micro, Small and Medium Enterprises Act, 2006".

**10. OTHER CURRENT LIABILITIES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Current Maturities of Long-Term Debt (refer note no.4 "Long Term borrowings")	2,529.02	2,537.25
(b) Accrued Salaries and Benefits	558.33	457.78
(c) Amount payable to Related parties (Companies) (Refer Note No. 35)	156.85	150.51
(d) Advance received from Customers	111.75	49.04
(e) Statutory dues	161.44	136.07
(f) Unpaid Dividend account	39.15	36.95
(g) Creditors for capital goods	98.67	258.85
(h) Other Payables	825.91	730.82
<b>Total</b>	<b>4,481.12</b>	<b>4,357.27</b>

**11. SHORT - TERM PROVISIONS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Provision for Gratuity (unfunded) (Refer Note No. 31)	127.07	104.73
(b) Provision for Long Term Compensated Absence (unfunded) (Refer Note No. 31)	26.13	38.73
(c) Provision for Dividend	164.13	164.13
(d) Provision for Dividend Tax	27.89	27.89
<b>Total</b>	<b>345.22</b>	<b>335.48</b>

12. FIXED ASSETS

(₹ in lacs)

Description of Assets	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK			
	Cost as at 01.04.13	Additions during the year	Deletion	Cost as at 31.03.14	Upto 31.03.13	For the period	With Drawn	Upto 31.03.14	As at 31.03.14	As at 31.03.13
<b>Tangible Asset :</b>										
Land	628.87	-	-	628.87	-	-	-	-	628.87	628.87
Buildings	13,972.26	436.67	-	14,408.93	809.72	231.85	-	1,041.57	13,367.36	13,162.53
Furniture & Fixtures	1,119.31	146.30	1.24	1,264.37	477.30	65.57	0.53	542.34	722.03	642.01
Office Equipments	121.64	5.38	26.60	100.42	45.94	6.96	19.84	33.06	67.36	75.70
Plant & Machinery	18,340.76	860.13	285.64	18,915.25	5,296.76	1,222.20	217.17	6,301.79	12,613.46	13,044.00
Computer Installations	441.61	23.03	-	464.64	207.05	61.81	-	268.86	195.78	234.56
Vehicles	241.41	1.18	1.50	241.09	120.32	21.00	1.46	139.86	101.23	121.09
<b>Total Tangible Asset (A)</b>	<b>34,865.86</b>	<b>1,472.69</b>	<b>314.98</b>	<b>36,023.57</b>	<b>6,957.09</b>	<b>1,609.39</b>	<b>239.00</b>	<b>8,327.48</b>	<b>27,696.09</b>	<b>27,908.76</b>
<b>Intangible Asset :</b>										
Licence software	57.47	5.27	-	62.74	20.41	20.26	-	40.67	22.07	37.06
<b>Total Intangible (B)</b>	<b>57.47</b>	<b>5.27</b>	<b>-</b>	<b>62.74</b>	<b>20.41</b>	<b>20.26</b>	<b>-</b>	<b>40.67</b>	<b>22.07</b>	<b>37.06</b>
<b>Total (A+B)</b>	<b>34,923.33</b>	<b>1,477.96</b>	<b>314.98</b>	<b>36,086.31</b>	<b>6,977.50</b>	<b>1,629.65</b>	<b>239.00</b>	<b>8,368.15</b>	<b>27,718.16</b>	<b>27,945.82</b>
<b>Previous Year</b>	<b>34,792.89</b>	<b>1,113.09</b>	<b>510.92</b>	<b>35,395.06</b>	<b>5,938.01</b>	<b>1,450.68</b>	<b>411.19</b>	<b>6,977.50</b>		
<b>Capital Work-in-Progress</b>	-	-	-	-	-	-	-	-	493.59	471.73
<b>Total Assets</b>	-	-	-	-	-	-	-	-	28,211.75	28,417.55

(a) Includes Asset costing less than ₹ 5,000/- each aggregating to ₹ 15.82 lacs

(b) The title of a piece of land belonging to the company measuring 5000 Sq. ft is challenged legally by a third party which the Company is defending. The case filed against the company before the District Court, Erode has been adjudicated against the Company. The Company has been advised to file a second appeal against the order before the Honourable High Court of Judicature, Madras. The Company is confident of succeeding the matter before the Madras High Court and hence no provision is considered necessary for the amount paid towards the cost of land.

(c) Borrowing cost capitalized during the year - Nil ( Previous Year - Nil)

**NON CURRENT ASSETS**
**13. NON - CURRENT INVESTMENT**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>(a) Long Term - Non Trade, (Quoted)</b>		
(i) 6100 Equity Shares of ₹ 10/- each Fully paid in Canara Bank	2.14	2.14
(ii) 2300 Equity Shares of ₹ 10/- each Fully Paid in Indian Overseas Bank	0.55	0.55
<b>(b) Shares in Subsidiary Company, Trade ( UnQuoted )</b>		
372440 Equity Shares of ₹ 100/- each Fully Paid in Idhayam Hospitals Erode Limited (Extent of holding 100%)	357.58	357.58
<b>Total</b>	<b>360.27</b>	<b>360.27</b>

**14. LONG - TERM LOANS AND ADVANCES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Unsecured, Considered good		
(a) Capital Advance	172.50	123.39
(b) Security Deposits		
Electricity & Other Deposits	100.37	84.33
(c) Other loans & advances		
(i) Rent and Lease Deposits	424.71	399.54
(ii) Loan and Advance to Employees	0.06	0.53
(iii) Advance Income Taxes (Net of Provisions)	17.61	38.32
(iv) MAT Credit Entitlement	402.24	525.38
(v) Other Advances	3.00	3.00
<b>Total</b>	<b>1,120.49</b>	<b>1,174.49</b>



**CURRENT ASSETS**
**15. INVENTORIES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Pharmacy	525.21	480.04
(b) Hospital Consumables	349.54	339.60
(c) Stores & Spares	53.73	34.07
(d) Others - (Power & Fuel, Canteen and Stationery)	39.91	38.24
<b>Total</b>	<b>968.39</b>	<b>891.95</b>

**16. TRADE RECEIVABLES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Debts outstanding for a period exceeding six months Unsecured, considered good	6.42	7.69
(b) Other Debts Unsecured, considered good	718.63	407.29
<b>Total</b>	<b>725.05</b>	<b>414.98</b>

**17. CASH AND CASH EQUIVALENTS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Cash and Cheques on hand	57.63	92.31
(b) Balance with banks In current and Deposit accounts	3,435.07	3,003.32
<b>Total (A)</b>	<b>3,492.70</b>	<b>3,095.63</b>
Current and Deposit Accounts includes -		
(i) LC Margin Deposits	-	-
(ii) Bank Guarantee Margin Deposits	3.62	3.33
(iii) Unpaid Dividend	39.15	36.95
<b>Total (B)</b>	<b>42.77</b>	<b>40.28</b>

Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS-3 Cash flow statement is

**Total (A-B)**
**3,449.93**
**3,055.35**
**18. SHORT - TERM LOANS AND ADVANCES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Unsecured, considered good		
(a) Advance for Purchase	14.21	0.18
(b) Advance for Expenses	14.48	11.73
(c) Prepaid Expenses	91.10	47.88
<b>Total</b>	<b>119.79</b>	<b>59.79</b>

**19. OTHER CURRENT ASSETS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Rent Receivable	5.76	4.41
Other Charges Recoverable	58.85	49.68
<b>Total</b>	<b>64.61</b>	<b>54.09</b>

**20. REVENUE FROM OPERATIONS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>I. Revenue from Operations</b>		
(a) Inpatients Revenue	18,744.13	17,080.17
(b) Outpatients Revenue	6,609.45	5,781.80
(c) Pharmacy Sales	6,877.39	5,886.94
(d) Dietary Sales	1,170.94	951.84
<b>II. Other Operating Income</b>		
Scrap Sales	12.37	12.63
<b>Total</b>	<b>33,414.28</b>	<b>29,713.38</b>

**21. OTHER INCOME**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Interest Income	272.62	202.77
(b) Dividend income	1.25	0.77
(c) Rent Received	125.34	56.06
(d) Parking Charges	35.00	19.95
(e) Miscellaneous Income	27.26	25.96
<b>Total</b>	<b>461.47</b>	<b>305.51</b>

**22. HOSPITAL CONSUMABLES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Inventory at the beginning of the year	339.60	265.08
Add : Purchase of Hospital Consumables	5,163.27	4,630.82
	5,502.87	4,895.90
Less: Inventory at the end of the year	349.54	339.60
<b>Total</b>	<b>5,153.33</b>	<b>4,556.30</b>

**23. PURCHASE OF MEDICINES (Pharmacy)**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Purchase of Medicines	5,474.71	4,728.61
<b>Total</b>	<b>5,474.71</b>	<b>4,728.61</b>

**24. CHANGES IN INVENTORIES (Pharmacy)**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Opening Stock of Medicines	480.04	369.47
Less: Closing Stock of Medicines	525.21	480.04
<b>(Increase) / Decrease in Inventories</b>	<b>(45.17)</b>	<b>(110.57)</b>

**25. EMPLOYEE BENEFITS EXPENSE**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Salaries, Allowances & Bonus	4,731.58	4,353.50
(b) Contribution to Provident and Other Funds	246.60	221.60
(c) Staff Welfare Expenses	168.57	140.36
(d) Long Term Compensated Absence ( Refer Note No. 31(d) )	37.08	65.51
(e) Gratuity ( Refer Note No. 31(d) )	85.19	87.43
<b>Total</b>	<b>5,269.02</b>	<b>4,868.40</b>

**26. FINANCE COST**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Interest Expenses	2,392.96	2,738.97
(b) Other Borrowing Cost: Loan Renewal Charges	1.15	7.32
<b>Total</b>	<b>2,394.11</b>	<b>2,746.29</b>

**27. OTHER EXPENSES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Power & Fuel Consumed	815.77	913.58
(b) Dietary Consumptions	915.86	808.13
(c) Consultant Charges	5,595.78	4,648.96
(d) Hospital Up Keep Expenses	715.82	452.53
(e) Stores & Spares Consumed	96.22	97.69
(f) Lab Test Charges	175.72	162.76
(g) Water Charges	133.58	112.73
(h) Travelling & Conveyance	63.13	63.90
(i) Rent	139.96	112.54
(j) Advertisement	232.88	207.56
(k) Auditor Remuneration	15.34	13.75
(l) Professional Charges	52.75	40.83
(m) Directors Sitting Fee	0.71	0.65
(n) Repair & Maintenance - Building	163.00	95.24
(o) Repair & Maintenance - Machinery	368.85	295.16
(p) Repair & Maintenance - Others	153.28	153.83
(q) Administration & Other Expenses	629.51	466.07
<b>Total</b>	<b>10,268.16</b>	<b>8,645.91</b>

**Auditor's Remuneration**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Payments to the auditor's</b>		
(a) For Statutory Audit	10.25	9.00
(b) For Taxation Matters	2.50	2.09
(c) For Other Services	0.90	1.10
(d) For Service Tax	1.69	1.56
<b>Total</b>	<b>15.34</b>	<b>13.75</b>

**28. CURRENT TAX (NET)**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Provision for Income Tax	905.62	627.20
(b) MAT Credit	-	(123.60)
<b>Total</b>	<b>905.62</b>	<b>503.60</b>

**GENERAL NOTES**
**29. Earnings Per Share (EPS) computed in accordance with Accounting Standard (AS)-20.**

Particulars	31.03.2014	31.03.2013
Profit After Tax (₹ in lacs)	2,371.90	2,124.77
Number of Shares issued (in lacs)	109.42	109.42
The Nominal Value per equity Share (in ₹)	10.00	10.00
Basic/Diluted EPS (in ₹)	21.68	19.42

**30. Operating Lease**

The Company has entered into operating lease, having a lease period ranging from 1-7 years, with an option to renew the lease.

The future minimum lease payments are as follows

Particulars	31.03.2014	31.03.2013
Not later than one year	131.71	126.94
Later than one year and not later than five years	205.34	274.98
Later than five years	Nil	Nil

(₹ in lacs)

Disclosure for company as lessor

Particulars	31.03.2014	31.03.2013
Not later than one year	96.75	96.16
Later than one year and not later than five years	177.24	271.00
Later than five years	6.00	9.00

(₹ in lacs)

**31. The Company has provided for employee benefits as per Accounting Standard (AS) - 15 in respect of defined benefit plan (Gratuity and Long Term compensated absence).**
**a) Description of the company's defined benefit plan :**

- (i). The Company operates a defined benefit plan for payment of post employment benefits in the form of Gratuity and Long Term compensated absence. Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided for in the Payment of Gratuity Act, 1972. The terms of the benefits are common for all the employees of the company.
- (ii). The Company also extends defined benefit plans in the form of compensated absence to employees. The employee benefits towards compensated absence are provided based on actuarial valuation made at the end of the year.

**b) Reconciliation in respect of the changes in the Present value of the obligation :** (₹ in lacs)

Particulars	Gratuity		Long Term Compensated Absence	
	2014	2013	2014	2013
Present Value of the Obligation (Opening)	366.12	291.00	102.95	73.25
Current service cost	40.95	35.95	10.10	17.26
Interest Cost	31.68	24.21	6.82	4.71
Benefits paid	(15.53)	(12.31)	(51.67)	(35.81)
Actuarial gains and losses	12.56	27.27	20.16	43.54
<b>Present Value of the Obligation (Closing)</b>	<b>435.78</b>	<b>366.12</b>	<b>88.36</b>	<b>102.95</b>

**c) Reconciliation in respect of the changes in the fair value of Plan assets :** (₹ in lacs)

Particulars	Gratuity		Long Term Compensated Absence	
	2014	2013	2014	2013
Present Value of the Obligation (Opening)	-	-	-	-
Add:				
Expected rate of return	-	-	-	-
Contribution by Employer	15.53	12.31	51.67	35.81
Benefits paid	(15.53)	(12.31)	(51.67)	(35.81)
Actuarial gains and losses	-	-	-	-
<b>Fair Value of the Assets (Closing)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**d) The total expenses recognized in the statement of profit and loss is as follows :** (₹ in lacs)

Particulars	Gratuity		Long Term Compensated Absence	
	2014	2013	2014	2013
Current Service cost	40.95	35.95	10.10	17.26
Interest Cost	31.68	24.21	6.82	4.71
Expected return on plan assets	-	-	-	-
Net Actuarial (Gain) / Loss recognized in the year	12.56	27.27	20.16	43.54
Transitional Liability recognized in the year	-	-	-	-
Past service cost – Non vested benefits	-	-	-	-
Past service cost – Vested benefits	-	-	-	-
<b>Amount Recognized in the Statement of Profit and Loss</b>	<b>85.19</b>	<b>87.43</b>	<b>37.08</b>	<b>65.51</b>

**e) The major category of plan assets as percentage of total plan assets are as follows :**

Particulars	Gratuity (%)		Long Term Compensated Absence (%)	
	2014	2013	2014	2013
Investments made	-	-	-	-
Amounts held in Current account with bank	-	-	-	-
Investment in Company's own financial instruments	-	-	-	-
Investment in Property or other assets used by the Company	-	-	-	-

**f) Principal actuarial assumptions used as at the balance sheet date :**

Particulars	Gratuity (%)		Long Term Compensated Absence (%)	
	2014	2013	2014	2013
Discount rate	8.84	7.70	8.84	7.70
Salary Escalation rate	15.00	15.00	15.00	15.00
Attrition rate	25.00	35.00	25.00	35.00
Expected return on plan assets	-	-	-	-

The estimates of future salary increases considered in actuarial valuation takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**g) Particulars for the current annual period ending 31.03.14 :**

(₹ in lacs)

Particulars	Gratuity 2013-14	Gratuity 2012-13	Gratuity 2011-12	Gratuity 2010-11	Gratuity 2009-10
Present value of obligation	435.78	366.12	291.00	259.38	195.81
Plan assets	-	-	-	-	-
Surplus/(Deficit) in Plan assets	(435.78)	(366.12)	(291.00)	(259.38)	(195.81)
The experience adjustments arising on the plan liabilities – (loss)/Gain	(27.92)	(19.79)	(21.94)	(3.01)	(23.63)
The experience adjustments arising on the plan assets – (loss)/Gain	-	-	-	-	-



(₹ in lacs)

Particulars	Long Term Compensated Absence 2013-14	Long Term Compensated Absence 2012-13	Long Term Compensated Absence 2011-12	Long Term Compensated Absence 2010-11	Long Term Compensated Absence 2009-10
Present value of obligation	88.36	102.95	73.25	38.58	26.63
Plan assets	-	-	-	-	-
Surplus/(Deficit) in Plan assets	(88.36)	(102.95)	(73.25)	(38.58)	(26.63)
The experience adjustments arising on the plan liabilities – (loss)/Gain	(11.26)	(41.19)	(43.54)	(11.01)	(7.14)
The experience adjustments arising on the plan assets – (Loss)/Gain.	-	-	-	-	-

(₹ in lacs)

32. Particulars	2013-2014	2012-2013
(i) CIF value of imports		
a. Capital goods	77.08	29.35
b. Spares	9.36	3.01
(ii) Earnings in Foreign Currency	-	-
(iii) Expenditure in Foreign Currency (Travelling Expenses)	0.86	12.04
(iv) Dividend paid in Foreign Currency		
a. Dividend	24.40	21.38
b. No. of Non-Resident Shareholders	84	86
c. No. of Shares of ₹ 10 each held by them	1626356	1710512

33. In-patients and out patients revenue is net of discount/free/concessional treatment/claims.

**34. Contingent Liabilities**

(₹ in lacs)

Particulars	31.03.2014	31.03.2013
<b>Contingent Liabilities :</b>		
a. Letters of Credit for capital equipments	315.00	-
b. Demand of Customs Duty raised by the authorities disputed and not acknowledged as due	189.46	189.46
c. Claims of various nature made against the Company not acknowledged as debt	119.20	117.58
<b>Commitments :</b>		
Estimated amount of contracts remaining to be executed on capital account	5,014.18	270.05

**35. Related parties' disclosure under Accounting Standard (AS) - 18.**

The list of related parties as identified by the management are as under

**(i) Names of related parties and description of relationship :**

- a. Key Management Personnel / Promoters : Dr. Nalla G Palaniswami  
Dr. Thavamani Devi Palaniswami  
Dr. Mohan S Gounder
- b. Subsidiary Company : Idhayam Hospitals Erode Limited
- c. Other Related Parties (Includes entities in which the Directors are interested) : Purani Hospital Supplies Limited  
Aosta Software Technologies (India) Limited  
ABT Industries Limited  
Sakthi Sugars Limited  
Biomed Hitech Industries Limited  
K Pharmacy  
NGP Estate Motors Agencies  
Dr. K.S.K. Murugaiyan

**(ii) Related Party Transactions :**

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is required to be made and no amounts have been written off or written back during the year in respect of debts due from or to related parties. There are no other related parties where control exists that need to be disclosed. Following transactions were carried out with the related parties.

(₹ in lacs)

Nature of Business	Subsidiary Company	Key Management Personnel	Other Related Parties	Total as on 31.03.14	Total as on 31.03.13
Lease Rent paid	54.60	32.36	14.18	101.14	111.42
Interest on Lease Advance Received	21.00	-	-	21.00	29.58
Purchases	-	-	5,007.78	5,007.78	4,802.25
Rent Receipts	-	-	2.45	2.45	2.45
IT Software & Hardware Maintenance Charges	-	-	6.74	6.74	14.01
Consultant Charges	-	-	3.00	3.00	15.75
Directors Remuneration, Commission & Perquisites	-	261.63	-	261.63	175.64
Directors Sitting Fees	-	-	0.03	0.03	0.13
Salary	-	-	-	-	0.80
Lease Advance Paid	-	-	25.00	25.00	24.00
Amount Payable	-	169.93	156.85	326.78	287.31
Lease Advance paid (Closing Balance)	350.00	24.00	25.00	399.00	374.00



**36. Segment Reporting**

Running of Hospitals is the only operating segment for the company. The entire financials and profit given are related only to this segment.

- 37. Income tax assessments have been provisionally completed upto the assessment year 2011-12.
  - 38. Figures of the previous year have been regrouped, reclassified and rearranged wherever necessary to conform to current year's classification.
  - 39. Figures have been rounded off to the nearest thousand.
- 

Signatures to notes 1 to 39

Vide our report of even date attached

**For Haribhakti & Co.,**  
Chartered Accountants  
Firm Reg. No. 103523W

**C.S. SATHYANARAYANAN**  
Partner  
Membership No. 028328  
  
Coimbatore  
23.05.2014

**Dr. NALLA G PALANISWAMI**  
Chairman and Managing Director

**CA.A.M. PALANISAMY**  
Director

**CA.P.K. GOPIKRISHNAN**  
Chief Financial Officer

**CS.S.P. CHITTIBABU**  
Company Secretary



**STATEMENT IN PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

1. Name of the Subsidiary : Idhayam Hospitals Erode Limited
2. Financial Year ending : 31.03.2014
3. No. of shares (fully paid up) held by the Company on the above dates : 372440 Shares of ₹ 100 each
4. Extent of holding Company's interest : 100%
5. Net Aggregate amount of Subsidiary's Profit/ (Loss) (₹ in lacs)
  - a) Not dealt within the accounts of the Company
    - (i) For the Current Financial year ended 31st March 2014 : 5.57
    - (ii) For the Previous Financial years : (81.78)
  - b) Dealt within the accounts of the Company
    - (i) For the Current Financial year ended 31st March 2014 : Nil
    - (ii) For the Previous Financial years : Nil

- Notes : a) There has been no change in the Holding Company's interest in the Subsidiary between the end of the financial year of the Subsidiary and the end of the financial year of the Holding Company.
- b) No material changes have occurred between the end of the financial year of the Subsidiary and the Holding Company's financial year in respect of the Subsidiary's (i) Fixed Assets (ii) Investments (iii) Money lent and (iv) Moneys borrowed for any purpose other than that of meeting Current Liabilities.

**Dr. NALLA G PALANISWAMI**  
Chairman and Managing Director

**CA.P.K. GOPIKRISHNAN**  
Chief Financial Officer

Coimbatore  
23.05.2014

**CA.A.M. PALANISAMY**  
Director

**CS.S.P. CHITTIBABU**  
Company Secretary



**CONSOLIDATED FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT  
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF  
KOVAI MEDICAL CENTER AND HOSPITAL LIMITED**

**To the Board of Directors of Kovai Medical Center and Hospital Limited**

We have audited the accompanying consolidated financial statements of Kovai Medical Center and Hospital Limited (“the Company”) and its subsidiary (the Company, its subsidiary constitute “the Group”) which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing the Companies (Accounting Standard) Rules, 2006. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

**Opinion**

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 “Consolidated Financial Statements”, Accounting Standard (AS) 23 “Accounting for Investments in Associates in Consolidated Financial Statements” and Accounting Standard (AS) 27 “Financial Reporting of Interests



in Joint Ventures” as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Kovai Medical Center and Hospital Limited and its subsidiary.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Coimbatore  
23.05.2014.

**For Haribhakti & Co.,**  
Chartered Accountants  
Firm Reg. No.103523W

**C.S. Sathyanarayanan**  
Partner  
Membership No.028328





## Consolidated Balance Sheet

### CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2014

(₹ in lacs)

Particulars	Note	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholder's Funds</b>					
(a) Share Capital	2	1,094.23		1,094.23	
(b) Reserves & Surplus	3	9,025.40		6,839.95	
			10,119.63		7,934.18
<b>2. Non-Current Liabilities</b>					
(a) Long - Term Borrowings	4	15,414.41		17,943.39	
(b) Deferred Tax Liabilities (Net)	5	2,570.51		2,116.09	
(c) Other Long - Term Liabilities	6	212.19		153.52	
(d) Long - Term Provisions	7	370.94		325.61	
			18,568.05		20,538.61
<b>3. Current Liabilities</b>					
(a) Short - Term Borrowings	8	419.21		453.64	
(b) Trade Payables	9	1,025.32		739.50	
(c) Other Current Liabilities	10	4,483.64		4,361.41	
(d) Short - Term Provisions	11	345.22		335.48	
			6,273.39		5,890.03
<b>TOTAL</b>			<b>34,961.07</b>		<b>34,362.82</b>
<b>ASSETS</b>					
<b>1. Non - Current Assets</b>					
<b>(a) Fixed Assets:</b>					
(i) Tangible Assets	12		28,089.78		28,320.29
(ii) Intangible Assets			146.53		161.52
(iii) Capital Work-in-Progress			493.59		471.73
(b) Non-Current Investment	13		2.69		2.69
(c) Long-Term Loans and Advances	14		818.80		870.97
<b>2. Current Assets</b>					
(a) Inventories	15	968.39		891.94	
(b) Trade Receivables	16	725.05		414.98	
(c) Cash and Cash Equivalents	17	3,531.51		3,114.82	
(d) Short -Term Loans and Advances	18	120.12		59.79	
(e) Other Current Assets	19	64.61		54.09	
			5,409.68		4,535.62
<b>TOTAL</b>			<b>34,961.07</b>		<b>34,362.82</b>

Significant Accounting Policies & Notes on Financial Statements 1 to 34

Vide our report of even date attached

**For Haribhakti & Co.,**

Chartered Accountants  
Firm Reg.No. 103523W

**C.S. SATHYANARAYANAN**

Partner  
Membership No. 028328

Coimbatore  
23.05.2014

**Dr. NALLA G PALANISWAMI**

Chairman and Managing Director

**CA.A.M. PALANISAMY**

Director

**CA.P.K. GOPIKRISHNAN**

Chief Financial Officer

**CS.S.P. CHITTIBABU**

Company Secretary



## Consolidated Statement of Profit and Loss

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014

(₹ in lacs)

Particulars	Note	For the year ended 31 <sup>st</sup> March 2014	For the year ended 31 <sup>st</sup> March 2013
<b>INCOME</b>			
Revenue from Operations	20	33,414.28	29,713.38
Other Income	21	443.01	284.27
<b>Total Income</b>		<b>33,857.29</b>	<b>29,997.65</b>
<b>EXPENSES</b>			
Hospital Consumables	22	5,153.33	4,556.30
Purchase of Medicines (Pharmacy)	23	5,474.71	4,728.61
Changes in Inventories ( Pharmacy)	24	(45.17)	(110.57)
Employee Benefits Expense	25	5,269.32	4,868.64
Finance Cost	26	2,394.11	2,746.29
Depreciation, Impairment and Amortization Expenses	12	1,647.49	1,582.92
Other Expenses	27	10,224.60	8,573.97
<b>Total Expenses</b>		<b>30,118.39</b>	<b>26,946.16</b>
<b>Profit Before Tax</b>		<b>3,738.90</b>	<b>3,051.49</b>
<b>Tax Expenses</b>			
Current Tax (Net)	28	907.01	503.60
Prior Year Tax		-	8.72
Deferred Tax		454.42	496.18
<b>Profit for the Year</b>		<b>2,377.47</b>	<b>2,042.99</b>
<b>Earnings Per Equity Share (in ₹)</b>			
Basic & Diluted ( Face Value of ₹ 10 each )	29	21.73	18.67

Significant Accounting Policies & Notes on  
Financial Statements

1 to 34

Vide our report of even date attached

**For Haribhakti & Co.,**  
Chartered Accountants  
Firm Reg.No. 103523W

**C.S. SATHYANARAYANAN**  
Partner  
Membership No. 028328

Coimbatore  
23.05.2014

**Dr. NALLA G PALANISWAMI**  
Chairman and Managing Director

**CA.A.M. PALANISAMY**  
Director

**CA.P.K. GOPIKRISHNAN**  
Chief Financial Officer

**CS.S.P. CHITTIBABU**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**  
 (₹ in lacs)

Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Profit before taxation and exceptional items		3,738.90		3,051.49
Adjustment for:				
Depreciation	1,647.49		1,582.92	
Interest Expenses	2,394.11		2,746.29	
Interest Income	(253.60)		(181.32)	
Loss on sale of Assets	58.14		10.33	
Dividend Income	(1.25)	3,844.89	(0.77)	4,157.45
<b>Operating profit before working capital changes</b>		<b>7,583.79</b>		<b>7,208.94</b>
<b>Change in Working Capital</b>				
Inventories	(76.45)		(166.06)	
Trade & Other Payables	527.81		(12.22)	
Trade & Other Receivables	(470.77)	(19.41)	(243.23)	(421.51)
<b>Cash generated from operations</b>		<b>7,564.38</b>		<b>6,787.43</b>
Income Tax/Wealth Tax Paid		(764.99)		(675.76)
<b>Net cash from operating activities (A)</b>		<b>6,799.39</b>		<b>6,111.67</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	(1,499.49)		(1,023.87)	
Sale of Fixed Assets	17.50		8.35	
Interest Received	253.60		181.32	
Dividend Received	1.25		0.77	
<b>Net cash from investing activities (B)</b>		<b>(1,227.14)</b>		<b>(833.43)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Long term Borrowings (Net of repayment)	(2,537.21)		(1,802.97)	
Working Capital Borrowings	(34.43)		(43.72)	
Dividend & Tax on Dividend Paid	(189.81)		(156.70)	
Interest Paid	(2,394.11)		(2,746.29)	
<b>Net cash used in financing activities (C)</b>		<b>(5,155.56)</b>		<b>(4749.68)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>416.69</b>		<b>528.56</b>
<b>Cash and Cash equivalent at beginning of Period</b>		<b>3,114.82</b>		<b>2,586.26</b>
<b>Less: Bank Balances not considered as Cash &amp; Cash equivalents as per AS 3</b>		<b>42.77</b>		<b>40.28</b>
<b>Cash and Cash equivalent at end of Period</b>		<b>3,488.74</b>		<b>3,074.54</b>

Vide our report of even date attached

**For Haribhakti & Co.,**  
 Chartered Accountants  
 Firm Reg.No. 103523W

**C.S. SATHYANARAYANAN**  
 Partner  
 Membership No. 028328

 Coimbatore  
 23.05.2014

**Dr. NALLA G PALANISWAMI**  
 Chairman and Managing Director

**CA.A.M. PALANISAMY**  
 Director

**CA.P.K. GOPIKRISHNAN**  
 Chief Financial Officer

**CS.S.P. CHITTIBABU**  
 Company Secretary

**1. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS**

**(i) Principles of consolidation**

The consolidated financial statements related to Kovai Medical Center and Hospital Limited ("the Company") and Idhayam Hospitals Erode Limited. The Consolidated financial statements have been prepared on the following basis.

- a) The financial statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or losses in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements" of the Companies (Accounting Standard) Rules, 2006.
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

**(ii) Accounting of Investments :**

Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 – "Accounting for Investments".

**(iii) Other Significant Accounting Policies :**

These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Kovai Medical Center and Hospital Limited.

**EQUITY AND LIABILITIES  
SHAREHOLDERS FUNDS**
**2. SHARE CAPITAL**

Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	Number	( ₹ in lacs )	Number	( ₹ in lacs )
<b>Authorised</b>				
15000000 Equity Shares of ₹ 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued, Subscribed & Paid-up 10942262 Equity Shares of ₹ 10/- each	<b>1,09,42,262</b>	<b>1,094.23</b>	<b>1,09,42,262</b>	<b>1,094.23</b>

**a. Details of Shareholders holding more than 5% shares in the company :**

Name of the Shareholder	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	Equity Shares		Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Dr. Thavamani Devi Palaniswami	20,60,017	18.82	20,39,817	18.64
2. Dr. Mohan S Palaniswami	8,49,769	7.76	8,49,769	7.76
3. Dr. Arun N Palaniswami	7,79,948	7.12	7,79,948	7.12
4. Kovai Purani Finance Private Limited	7,33,999	6.71	7,23,999	6.62
5. Dr. Purani P Palaniswami	6,67,491	6.10	6,67,491	6.10

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity share is entitled to one vote per share. The dividend Proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.**

Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	No of shares (Nos)	(₹ in lacs)	No of shares (Nos)	(₹ in lacs)
<b>At the beginning / Closing of the period</b>	1,09,42,262	1,094.23	1,09,42,262	1,094.23

c. There are no shares issued as fully paid up pursuant to contract without being received in cash, bonus shares and shares bought back in the immediately preceding 5 years.

**3. RESERVES & SURPLUS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
a. General Reserve		
Opening Balance	3,594.95	3,444.95
Add:- Profit transferred from statement of profit and loss	150.00	150.00
<b>A</b>	<b>3,744.95</b>	<b>3,594.95</b>
b. Surplus in statement of profit and loss		
- Opening Balance	3,245.00	1,544.03
Add :- Profit transferred from statement of profit and loss	2,377.47	2,042.99
Less:-		
- Proposed Dividend	164.13	164.13
- Tax on Dividend	27.89	27.89
- Transfer to General Reserve	150.00	150.00
- Surplus in statement of Profit & Loss	5,280.45	3,245.00
<b>B</b>		
<b>Total (A+B)</b>	<b>9,025.40</b>	<b>6,839.95</b>

**NON - CURRENT LIABILITIES**
**4. LONG - TERM BORROWINGS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	Non-Current Portion	Non-Current Portion	Current Maturities	Current Maturities
Secured				
(a) Term loans from Banks	15,246.56	17,668.41	2,421.89	2,437.33
(b) From Others	167.85	274.98	107.13	99.92
	<b>15,414.41</b>	<b>17,943.39</b>	<b>2,529.02</b>	<b>2,537.25</b>
Amount disclosed under the head "Other Current Liabilities - Current maturities of Long - Term Debt" (Note no. 10)	-	-	(2,529.02)	(2,537.25)
<b>Net Amount</b>	<b>15,414.41</b>	<b>17,943.39</b>	<b>-</b>	<b>-</b>

**A. Security Particulars of Secured Loans**

- i. The term loans availed from Indian Bank and Indian Overseas Bank are primarily Secured by:
  - a) Pari passu first charges on the Land and appurtenances therewith located at Kalapatti Village at Coimbatore and land located at Erode.
  - b) Pari passu charge on the entire Fixed Assets (Present & Future) of the Company.
  - c) Charge on the leasehold rights of the building at Erode in the name of M/s. Idhayam Hospitals Erode Limited, Erode.
  - d) Charge on the leasehold rights of the medical equipments in the name of M/s. Idhayam Hospitals Erode Limited, Erode.

The above facilities are also collaterally secured by a pari passu second charge on the entire current assets of the Company.
- ii. In addition to the above, the subsidiary Company has given corporate guarantee to the limits availed by the Company.
- iii. The term loans and working capital facilities are further guaranteed by the personal guarantees of the Chairman and Managing Director and Vice Chairman and Joint Managing Director of the Company. The term loans carries interest rates varying from 12.45% to 12.50% per annum.
- iv. Secured Loans from others represent Hire Purchase loans from SREI Equipments Finance Pvt Ltd secured by hypothecation of assets purchased and it carries interest rates varying from 6.80% to 8.70%. per annum.

**B. Repayment Details :**
**i. Secured Loans from Indian Bank**

- (a) Term Loan (Revolving Limit) - The loan is repayable in 8 monthly instalments aggregating to ₹ 72.73 Lacs (Previous Year : ₹ 181.82 Lacs).
- (b) Term Loan (Subordinate Loan) - The loan is repayable in 72 monthly instalments aggregating to ₹ 326.10 Lacs (Previous Year : ₹ 380.70 Lacs).
- (c) Term Loan (I Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 2,254.48 Lacs (Previous Year : ₹ 2,576.56 Lacs).
- (d) Term Loan (II Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 2,062.50 Lacs (Previous Year : ₹ 2,271.50 Lacs).
- (e) Term Loan (III Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 1,554.00 Lacs (Previous Year : ₹ 1,739.00 Lacs).
- (f) Term Loan (Additional Loan) - The loan is repayable in 68 monthly instalments aggregating to ₹ 2,600.00 Lacs (Previous Year : ₹ 2,900.00 Lacs).

**ii. Secured Loans from Indian Overseas bank**

- (a) Term Loan (Subordinate Loan) - The loan is repayable in 72 monthly instalments aggregating to ₹ 327.60 Lacs (Previous Year : ₹ 382.08 Lacs).
- (b) Term Loan (I Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 2,254.60 Lacs (Previous Year : ₹ 2,576.56 Lacs).
- (c) Term Loan (II Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 2,063.48 Lacs (Previous Year : ₹ 2,272.52 Lacs).
- (d) Term Loan (III Phase) - The loan is repayable in 72 monthly instalments aggregating to ₹ 1,552.96 Lacs (Previous Year : ₹ 1,738.00 Lacs).
- (e) Term Loan (Additional Loan) - The loan is repayable in 68 monthly instalments aggregating to ₹ 2,600.00 Lacs (Previous Year : ₹ 2,900.00 Lacs).



**iii. Secured Loans from others - SREI Equipments Finance Private Limited**

- (a) Hire Purchase Loan is repayable in 25 equated monthly instalments aggregating to ₹ 126.03 Lacs (Previous Year : ₹ 179.30 Lacs).
- (b) Hire Purchase Loan is repayable in 8 equated monthly instalments aggregating to ₹ 10.92 Lacs (Previous Year : ₹ 26.41 Lacs ).
- (c) Hire Purchase Loan is repayable in 39 equated monthly instalments aggregating to ₹ 138.03 Lacs (Previous Year : ₹ 190.60 Lacs).

**5. DEFERRED TAX LIABILITIES (Net)**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Deferred Tax Liability on account of Accumulated Depreciation	2,800.79	2,306.20
Deferred Tax Asset on account of Provision for Bonus, Gratuity and Long Term Compensated absence	(230.28)	(190.11)
<b>Total</b>	<b>2,570.51</b>	<b>2,116.09</b>

**6. OTHER LONG - TERM LIABILITIES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(i) Rental Deposits	48.91	4.90
(ii) Others	163.28	148.62
<b>Total</b>	<b>212.19</b>	<b>153.52</b>

**7. LONG - TERM PROVISIONS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Provision for Gratuity (Unfunded)	308.71	261.39
Provision for Long Term Compensated Absence (Unfunded)	62.23	64.22
<b>Total</b>	<b>370.94</b>	<b>325.61</b>

**CURRENT LIABILITIES**
**8. SHORT - TERM BORROWINGS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Secured Cash Credit Loan from banks - Indian Bank	419.21	453.64
<b>Total</b>	<b>419.21</b>	<b>453.64</b>

The Company has availed working capital facility from Indian Bank which is primarily secured by :

- First Charge on current assets by way of hypothecation of present & future current assets including book debts & receivables.
- The above working capital facility is collaterally secured by all fixed assets mentioned in Item No.A i(a) to (d) in note no.4 long term borrowings.
- The working capital facility carries interest rate @ 12.45% per annum.

**9. TRADE PAYABLES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
Creditors				
i. Micro, Small and Medium Enterprises	37.15		109.11	
ii. Others	988.17		630.39	
		1,025.32		739.50
<b>Total</b>		<b>1,025.32</b>		<b>739.50</b>

The Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the "Micro, Small and Medium Enterprises Act, 2006". Based on the evidence available, there are no dues warranting interest payment under the "Micro, Small and Medium Enterprises Act, 2006".

**10. OTHER CURRENT LIABILITIES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Current Maturities of Long - Term Debt (refer note no.4 "Long - Term Borrowings")	2,529.02	2,537.25
(b) Accrued Salaries and Benefits	558.33	457.78
(c) Amount payable to Related parties (Companies)	156.85	150.51
(d) Advance received from Customers	111.75	49.04
(e) Statutory dues	161.94	138.18
(f) Unpaid Dividend Account	39.15	36.95
(g) Creditors for Capital goods	98.67	258.85
(h) Other Payables	827.93	732.85
<b>Total</b>	<b>4,483.64</b>	<b>4,361.41</b>

**11. SHORT - TERM PROVISIONS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Provision for Gratuity (Unfunded)	127.07	104.73
(b) Provision for Long Term Compensated Absence (Unfunded)	26.13	38.73
(c) Provision for Dividend	164.13	164.13
(d) Provision for Dividend Tax	27.89	27.89
<b>Total</b>	<b>345.22</b>	<b>335.48</b>

12. FIXED ASSETS (CONSOLIDATED)

(₹ in lacs)

Description of Assets	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK			
	Cost as at 01.04.13	Additions during the year	Deletion	Cost as at 31.03.14	Upto 31.03.13	For the period	Provision for Impairment	With Drawn	Upto 31.03.14	As at 31.03.14	As at 31.03.13
<b>Tangible Asset :</b>											
Land	628.87	-	-	628.87	-	-	-	-	-	628.87	628.87
Buildings	14,309.83	436.67	-	14,746.50	866.81	237.35	-	-	1,104.16	13,642.34	13,443.01
Furniture & Fixtures	1,162.72	146.30	1.24	1,307.78	505.29	68.32	-	0.53	573.08	734.70	657.43
Office Equipments	174.09	5.38	26.60	152.87	71.54	9.45	-	19.84	61.15	91.72	102.55
Plant & Machinery	18,848.22	860.13	285.64	19,422.71	5,715.45	1,229.30	-	217.17	6,727.58	12,695.13	13,132.77
Computer Installations	454.34	23.03	-	477.37	219.77	61.81	-	-	281.58	195.79	234.57
Vehicles	241.41	1.18	1.50	241.09	120.32	21.00	-	1.46	139.86	101.23	121.09
<b>Total Tangible Asset (A)</b>	<b>35,819.48</b>	<b>1,472.69</b>	<b>314.98</b>	<b>36,977.19</b>	<b>7,499.18</b>	<b>1,627.23</b>	<b>-</b>	<b>239.00</b>	<b>8,887.41</b>	<b>28,089.78</b>	<b>28,320.29</b>
<b>Intangible Asset :</b>											
Licence software	57.47	5.27	-	62.74	20.41	20.26	-	-	40.67	22.07	37.06
Goodwill	124.46	-	-	124.46	-	-	-	-	-	124.46	124.46
<b>Total Intangible Asset (B)</b>	<b>181.93</b>	<b>5.27</b>	<b>-</b>	<b>187.20</b>	<b>20.41</b>	<b>20.26</b>	<b>-</b>	<b>-</b>	<b>40.67</b>	<b>146.53</b>	<b>161.52</b>
<b>Total (A+B)</b>	<b>36,001.41</b>	<b>1,477.96</b>	<b>314.98</b>	<b>37,164.39</b>	<b>7,519.59</b>	<b>1,647.49</b>	<b>-</b>	<b>239.00</b>	<b>8,928.08</b>	<b>28,236.31</b>	<b>28,481.81</b>
<b>Previous Year</b>	<b>35,920.15</b>	<b>1,113.09</b>	<b>560.10</b>	<b>36,473.14</b>	<b>6,388.91</b>	<b>1,481.49</b>	<b>101.43</b>	<b>452.24</b>	<b>7,519.59</b>	<b>-</b>	<b>-</b>
<b>Capital Work-in-Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>493.59</b>	<b>471.73</b>
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,729.90</b>	<b>28,953.53</b>

(a) Includes Asset costing less than ₹ 5,000/- each aggregating to ₹ 15.82 lacs

(b) The title of a piece of land belonging to the company measuring 5000 Sq. ft is challenged legally by a third party which the Company is defending. The case filed against the company before the District Court, Erode has been adjudicated against the Company. The Company has been advised to file a second appeal against the order before the Honourable High Court of Judicature, Madras. The Company is confident of succeeding the matter before the Madras High Court and hence no provision is considered necessary for the amount paid towards the cost of land.

(c) Borrowing cost capitalized during the year - Nil ( Previous Year - Nil)

**NON CURRENT ASSETS**
**13. NON - CURRENT INVESTMENT**

(₹ in lacs)

<b>Particulars</b>	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
Long - Term Investments at Cost		
Long Term - Non Trade, (Quoted)		
(i) 6100 Equity Shares of ₹ 10/- each fully paid in Canara Bank	2.14	2.14
(ii) 2300 Equity Shares of ₹ 10/- each fully Paid in Indian Overseas Bank	0.55	0.55
<b>Total</b>	<b>2.69</b>	<b>2.69</b>

**14. LONG - TERM LOANS AND ADVANCES**

(₹ in lacs)

<b>Particulars</b>	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
Unsecured, Considered good		
(a) Capital Advance	172.50	123.39
(b) Security Deposits		
Electricity & Other Deposits	104.31	88.27
(c) Other loans & advances		
(i) Rent and Lease Deposits	74.71	49.54
(ii) Loan and Advance to Employees	0.06	0.53
(iii) Advance Income Taxes (Net of Provisions)	61.98	80.86
(iv) Mat Credit Entitlement	402.24	525.38
(v) Other Advances	3.00	3.00
<b>Total</b>	<b>818.80</b>	<b>870.97</b>

**CURRENT ASSETS**
**15. INVENTORIES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Pharmacy	525.21	480.04
(b) Hospital Consumables	349.54	339.60
(c) Stores & Spares	53.73	34.06
(d) Others - (Power & Fuel, Canteen and Stationery)	39.91	38.24
<b>Total</b>	<b>968.39</b>	<b>891.94</b>

**16. TRADE RECEIVABLES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Debts outstanding for a period exceeding six months Unsecured, considered good	6.42	7.69
(b) Other Debts Unsecured, considered good	718.63	407.29
<b>Total</b>	<b>725.05</b>	<b>414.98</b>

**17. CASH AND CASH EQUIVALENTS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Cash and Cheques on hand	57.63	92.31
(b) Balance with banks In current and Deposit accounts	3,473.88	3,022.51
<b>Total (A)</b>	<b>3,531.51</b>	<b>3,114.82</b>
Current and Deposit Accounts includes -		
(i) LC Margin Deposits	-	-
(ii) Bank Guarantee Margin Deposits	3.62	3.33
(iii) Unpaid Dividend	39.15	36.95
<b>Total (B)</b>	<b>42.77</b>	<b>40.28</b>

Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS-3 Cash flow statement is

**Total (A-B)**
**3,488.74**
**3,074.54**
**18. SHORT - TERM LOANS AND ADVANCES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Unsecured, considered good		
(a) Advance for Purchase	14.21	0.18
(b) Advance for Expenses	14.48	11.73
(c) Prepaid Expenses	91.43	47.88
<b>Total</b>	<b>120.12</b>	<b>59.79</b>

**19. OTHER CURRENT ASSETS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Rent Receivable	5.76	4.41
Other Charges Recoverable	58.85	49.68
<b>Total</b>	<b>64.61</b>	<b>54.09</b>

**20. REVENUE FROM OPERATIONS**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>I. Revenue from Operations</b>		
(a) Inpatients Revenue	18,744.13	17,080.17
(b) Outpatients Revenue	6,609.45	5,781.80
(c) Pharmacy Sales	6,877.39	5,886.94
(d) Dietary Sales	1,170.94	951.84
<b>II. Other Operating Income</b>		
Scrap Sales	12.37	12.63
<b>Total</b>	<b>33,414.28</b>	<b>29,713.38</b>

**21. OTHER INCOME**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Interest Income	253.60	181.32
(b) Dividend income	1.25	0.77
(c) Rent Received	125.34	56.06
(d) Parking Charges	35.00	19.95
(e) Miscellaneous Income	27.82	26.17
<b>Total</b>	<b>443.01</b>	<b>284.27</b>

**22. HOSPITAL CONSUMABLES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Inventory at the beginning of the year	339.60	265.08
Add : Purchase of Hospital Consumables	5,163.27	4,630.82
	5,502.87	4,895.90
Less: Inventory at the end of the year	349.54	339.60
<b>Total</b>	<b>5,153.33</b>	<b>4,556.30</b>

**23. PURCHASE OF MEDICINES (Pharmacy)**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Purchase of Medicines	5,474.71	4,728.61
<b>Total</b>	<b>5,474.71</b>	<b>4,728.61</b>

**24. CHANGES IN INVENTORIES (Pharmacy)**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Opening Stock of Medicines	480.04	369.47
Less: Closing Stock of Medicines	525.21	480.04
<b>(Increase) / Decrease in Inventories</b>	<b>(45.17)</b>	<b>(110.57)</b>

**25. EMPLOYEE BENEFITS EXPENSE**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Salaries, Allowances & Bonus	4,731.88	4,353.74
(b) Contribution to Provident and Other Funds	246.60	221.60
(c) Staff Welfare Expenses	168.57	140.36
(d) Long Term Compensated Absence	37.08	65.51
(e) Gratuity	85.19	87.43
<b>Total</b>	<b>5,269.32</b>	<b>4,868.64</b>

**26. FINANCE COST**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Interest Expenses	2,392.96	2,738.97
(b) Other Borrowing Cost : - Loan Renewal Charges	1.15	7.32
<b>Total</b>	<b>2,394.11</b>	<b>2,746.29</b>

**27. OTHER EXPENSES**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Power & Fuel Consumed	815.77	913.58
(b) Dietary Consumptions	915.86	808.13
(c) Consultant Charges	5,595.78	4,648.96
(d) Hospital Up Keep Expenses	715.82	452.53
(e) Stores & Spares Consumed	96.22	97.69
(f) Lab Test Charges	175.72	162.76
(g) Water Charges	133.58	112.73
(h) Travelling & Conveyance	63.13	63.90
(i) Rent	139.96	112.54
(j) Advertisement	232.88	207.56
(k) Auditor Remuneration	18.21	16.65
(l) Professional Charges	54.04	41.31
(m) Directors Sitting Fee	0.71	0.65
(n) Repair & Maintenance - Building	163.00	95.24
(o) Repair & Maintenance - Machinery	368.85	295.16
(p) Repair & Maintenance - Others	153.28	153.83
(q) Administration & Other Expenses	581.79	390.75
<b>Total</b>	<b>10,224.60</b>	<b>8,573.97</b>

**Auditor's Remuneration**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Payments to the auditor's</b>		
(a) For Statutory Audit	12.25	11.00
(b) For Taxation Matters	3.00	2.61
(c) For Other Services	0.96	1.16
(d) For Service Tax	2.00	1.88
<b>Total</b>	<b>18.21</b>	<b>16.65</b>

**28. CURRENT TAX (NET)**

(₹ in lacs)

Particulars	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
(a) Provision for Income Tax	907.01	627.20
(b) MAT Credit	-	(123.60)
<b>Total</b>	<b>907.01</b>	<b>503.60</b>



**GENERAL NOTES**
**29. Earnings Per Share (EPS) computed in accordance with Accounting Standard (AS) - 20.**

Particulars	31.03.2014	31.03.2013
Profit After Tax (₹ in lacs)	2,377.47	2,042.99
Number of Shares issued (in lacs)	109.42	109.42
The Nominal Value per Equity Share (in ₹)	10.00	10.00
Basic/Diluted EPS (in ₹)	21.73	18.67

**30. The Subsidiary company considered in the Consolidated Financial Statements is**

S.No	Name of the Subsidiary	% of Holdings
1	Idhayam Hospitals Erode Limited	100%

31. The value of Investments made in the wholly owned subsidiary company – Idhayam Hospitals Erode Limited has been accounted in compliance with Accounting standard (AS – 21).

32. Figures have been rounded off to nearest thousand.

33. Other Notes Forming part of Accounts :

These are set out in and under "Notes forming part of accounts for the year ended 31st March 2014" as given in the Unconsolidated Financial Statements of Kovai Medical Center and Hospital Limited.

34. Figures of the previous year have been regrouped, reclassified and rearranged wherever necessary to conform to current year's classification.

Signatures to notes 1 to 34

Vide our report of even date attached

**For Haribhakti & Co.,**  
Chartered Accountants  
Firm Reg. No. 103523W

**C.S. SATHYANARAYANAN**  
Partner  
Membership No. 028328  
Coimbatore  
23.05.2014

**Dr. NALLA G PALANISWAMI**  
Chairman and Managing Director

**CA.A.M. PALANISAMY**  
Director

**CA.P.K. GOPIKRISHNAN**  
Chief Financial Officer

**CS.S.P. CHITTIBABU**  
Company Secretary



## Information about Subsidiary Company

Disclosure of information relating to the subsidiary companies as required by the ministry of corporate Affairs, Government of India vide their General Circular No. 2 / 2011 dated 08.02.2011.

(₹ in lacs)

Particulars	Idhayam Hospitals Erode Limited
(a) Share Capital	372.44
(b) Reserves & Surplus	(243.82)
(c) Total Assets	481.14
(d) Total Liabilities	481.14
(e) Details of Investment	Nil
(f) Operating Income on Lease basis	50.40
(g) Profit / (Loss) Before Tax	6.96
(h) Provision for Taxation	1.39
(i) Profit / (Loss) After Tax	5.57
(j) Proposed Dividend	Nil
(k) Reporting Currency	Indian Rupee (₹)

# SETTING NEW STANDARDS IN CARDIAC CARE..



# KMCH HEART INSTITUTE



For any cardiac problem, immediate and effective care is crucial.

KMCH Heart Institute brings together highly experienced professionals from Cardiology, Cardiothoracic Surgery, Cardiac Anaesthesiology, Critical Care Team and other supportive departments to deliver quality cardiac care that is on par with the best cardiac centers in the world.

## Performing

### Heart Surgeries

of all types from

simple to highly complex

## We perform

- Heart Transplants
- Valve Surgeries
- Redo Heart CABGS
- Any other Heart, Lung and Blood Vessel Surgeries
- Aortic Aneurysm Surgeries

## Cardiac Care services round the clock

- Launched STEMI PROGRAM for the first time in India
- KMCH is one of the main centers for STEMI PROGRAM
- Within 90 minutes, any chest pain can be taken care at KMCH
- KMCH is fully equipped to deal instantly and effectively with heart attacks round the clock



**KMCH**  
Heart  
Institute  
Team

### Cardiothoracic Surgeons

Dr. Prashant Vaijyanath  
Dr. Devender Singh  
Dr. K.R. Gunaseelan  
Dr. Lakshminarayanachar

### Cardiologists

Dr. Thomas Alexander  
Dr. R. Suresh Kumar  
Dr. D.M.T. Saravanan  
Dr. M. Venkatesh Babu  
Dr. M. Mohan  
Dr. N. Padmanabhan  
Dr. S. Devaprasath

### Cardiothoracic Anaesthetists

Dr. M.K. Sivakumar  
Dr. S. Lokeswaran  
Dr. K.P. Mary Smitha Thomas  
Dr. V. Velkumar

### Critical Care Specialists

Dr. M.N. Sivakumar  
Dr. R.S. Senthil Kumar  
Dr. T. Gopinathan  
Dr. T. Suresh Kumar  
Dr. V. Nandakumar

### Cardiac Care services round the clock

- Angiogram
- Angioplasties
- Pacemakers
- Electro-physiology Study

### Facilities to treat all Heart, Lung and Blood Vessel diseases

- Three Cath Labs
- Four Cardiothoracic Theatres
- 60 Bedded CCU's, ICU's & CTU's
- 24 Hours Emergency Services



## Kovai Medical Center and Hospital Limited

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## **Kovai Medical Center and Hospital Limited**

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