



KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

Excellence in Healthcare

P.B. No. 3209, Avanashi Road, Coimbatore - 641 014.

Phone: +91 422 4323800 / 3083800 Email: secretarialdept@kmchhospitals.com

Website: www.kmchhospitals.com CIN : L85110TZ1985PLC001659

MEETING OF THE UNSECURED CREDITORS CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH

MEETING:	
Day	Thursday
Date	04th January, 2018
Time	3.00 PM
Venue	KMCH Auditorium at the Registered Office at P.B.No.3209, Avanashi Road, Coimbatore – 641 014

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
CHENNAI BENCH
COMPANY SCHEME APPLICATION NO 177 OF 2017**

In the matter of Companies Act, 2013;

And

**In the matter of Sections 230 and 232 of the Companies Act, 2013
and other applicable provisions of the Companies Act, 2013;**

And

In the matter of Kovai Medical Center and Hospital Limited;

And

**In the matter of Scheme of Amalgamation and Arrangement between Idhayam Hospitals Erode Limited and
Kovai Medical Center and Hospital Limited and their respective shareholders;**

Kovai Medical Center and Hospital Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at P.B.No.3209, Avanashi Road, Coimbatore - 641 014 Applicant Company

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY

To,

All the unsecured creditors of **Kovai Medical Center and Hospital Limited** (the "Applicant Company")

NOTICE is hereby given that by an order dated 21st November, 2017 (the "Order") in the above mentioned Company Application, the National Company Law Tribunal, Chennai Bench ("NCLT" or "Tribunal") has directed a meeting of the unsecured creditors of the Applicant Company to be held for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation between Idhayam Hospitals Erode Limited ("IHEL" or "Transferor Company") and Kovai Medical Center and Hospital Limited ("KMCH" or "Transferee Company" or "Company") and their respective shareholders ("Scheme").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the unsecured creditors of the Applicant Company will be held at registered office of the Company situated at P.B.No.3209, Avanashi Road, Coimbatore - 641 014 (Registered Office of KMCH) on Thursday, 04th January, 2018 at 3:00 p.m. at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 and 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 thereto, and subject to the relevant provisions of other applicable laws and enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT" or "Tribunal") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Amalgamation between Idhayam Hospitals Erode Limited ("IHEL" or "Transferor Company") and Kovai Medical Center and Hospital Limited ("KMCH" or "Transferee Company" or "Company") and their respective shareholders ("Scheme") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or through authorised representative, duly authorised.

TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230 read with Sections 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Applicant Company has provided the facility of voting so as to enable the unsecured creditors, to consider and approve the Scheme by ballot paper at the venue of the meeting to be held on 04th January, 2017.

Copies of the Scheme and of the Explanatory Statement under Section 230(3), 232(1) and (2) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at P.B.No.3209, Avanashi Road, Coimbatore - 641 014.

The Tribunal has appointed Dr. Nalla G.Palaniswami, Managing Director and failing him, Dr. Thavamani Devi Palaniswami, Joint Managing Director to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to subsequent approval of the Tribunal.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Date: 29th November, 2017
Place: Coimbatore

Sd/-
Dr. Nalla G Palaniswami
Chairman appointed for the meeting

Notes:

1. The unsecured creditors of the Applicant Company may attend and vote either in person or through an authorised representative at the meeting of the unsecured creditors of the Applicant Company. The authorised representative of an unsecured creditor of the Applicant Company may attend and vote at the meeting of the unsecured creditors of the Applicant Company provided a copy of the resolution of the board of directors or other governing body of the body corporate or an authorisation letter issued by a partner of a partnership firm or an authorisation letter issued by a proprietor of a proprietary firm, to attend and vote at the meeting of the unsecured creditors of the Applicant Company, is submitted along with the attendance slip at the meeting venue..
2. The Tribunal by its Order has directed that a meeting of the unsecured creditors of the Applicant Company shall be convened and held at P.B.No.3209, Avanashi Road, Coimbatore - 641 014 on Thursday, the 04th January, 2018 at 3:00 p.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the resolution approving arrangement embodied in the Scheme. Unsecured creditors would be entitled to vote in the said meeting either in person or through authorised representative.
3. The quorum of the meeting of the unsecured creditors of the Applicant Company shall be 25 (twenty five) unsecured creditors constituting 25% of the total unsecured debt of the Applicant Company outstanding as at 30th September, 2017, present in person.
4. The unsecured creditor or his authorised representative, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
5. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors at the registered office of the Applicant Company between 10:00 a.m. and 12:00 noon on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
6. The Notice, together with the documents accompanying the same, is being sent to all the unsecured creditors by electronically by e-mail to their e-mail ids registered with the Applicant Company. The Notice will be displayed on the website of the Applicant Company www.kmchhospitals.com
7. The notice convening the meeting will be published through advertisement in (i) Indian Express in the English language; and (ii) translation thereof in Dinamani in Tamil language.
8. In accordance with the provisions of Sections 230 and 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the unsecured creditors of the Applicant Company, present and voting in person or through authorised representative, agree to the Scheme.

9. Mr. C.V.Madhusudhanan, Practicing Company Secretary (Membership No. FCS 5367/CP 4408) (Partner, KSR & Co Company Secretaries LLP) has been appointed as the scrutinizer to conduct the voting at the venue of the meeting in a fair and transparent manner.
10. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Applicant Company through ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through ballot at the venue of the meeting exercised by the unsecured creditors will be announced on or before 06th January, 2018 at the registered office of the Applicant Company. The results, together with the scrutinizer's reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company, www.kmchhospitals.com besides being communicated to BSE Limited.
11. Any queries/grievances in relation to the voting may be addressed to Mr. S.P. Chittibabu, Company Secretary of the Applicant Company at P.B.No.3209, Avanashi Road, Coimbatore - 641 014, or through email to secretarialdept@kmchhospitals.com. Mr. S.P. Chittibabu, Company Secretary of the Applicant Company can also be contacted at +91 422 4323639 / 4323703.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
CHENNAI BENCH
COMPANY SCHEME APPLICATION NO 177 OF 2017**

In the matter of Companies Act, 2013;

And

**In the matter of Sections 230 and 232 of the Companies Act, 2013
and other applicable provisions of the Companies Act, 2013;**

And

In the matter of Kovai Medical Center and Hospital Limited;

And

In the matter of Scheme of Amalgamation and Arrangement between Idhayam Hospitals Erode Limited and Kovai Medical Center And Hospital Limited and their respective shareholders;

Kovai Medical Center and Hospital Limited, a company incorporated under the provisions of the Companies Act, 1956

and having its registered office at P.B.No.3209, Avanashi Road, Coimbatore - 641 014

.....Applicant Company

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENT AND AMALGAMATIONS) RULES, 2016

1. Pursuant to an Order dated 21st November, 2017 passed by the National Company Law Tribunal, Chennai Bench ("NCLT" or "Tribunal") in the Company Application No. 177 of 2017 ("Order"), a meeting of the unsecured creditors of Kovai Medical Center and Hospital Limited (hereinafter referred to as "Applicant Company" or "Transferee Company" or "KMCH" or "Company") is being convened and held at P.B.No.3209, Avanashi Road, Coimbatore - 641 014 on Thursday, 04th January, 2017 at 43:00 p.m., for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation between Idhayam Hospitals Erode Limited ("IHEL" or "Transferor Company") and Kovai Medical Center and Hospital Limited and their respective shareholders under Sections 230 and 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ('the Scheme'). Further, in terms of the said Order, the Tribunal has appointed Dr. Nalla G.Palaniswami, Managing Director and failing him, Dr. Thavamani Devi Palaniswami, Joint Managing Director to be the Chairman of the said meeting of the Applicant Company including for any adjournment or adjournments thereof.
2. This statement is being furnished as required under Sections 230(3), 232(1) and (2) of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
3. As stated earlier, the Tribunal by its said Order has, inter alia, directed that a meeting of the unsecured creditors of the Applicant Company shall be convened for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Unsecured creditors would be entitled to vote in the said meeting either in person or through authorised representative.
4. In accordance with the provisions of Sections 230 and 232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the unsecured creditors, of the Applicant Company, voting in person or through authorised representative, agree to the Scheme.
5. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.

6. BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:

Kovai Medical Center and Hospital Limited ("Applicant Company" or "Transferee Company")

- a) Kovai Medical Center And Hospital Limited was incorporated under the Companies Act, 1956 in the name of Kovai Medical Center and Hospital Limited. The Corporate Identification Number of the Applicant Company is L85110TZ1985PLC001659. Permanent Account Number of the Applicant Company is AAACK9192L Email ID of the Applicant Company is secretarialdept@kmchhospitals.com.
- b) The Registered Office of the Applicant Company is situated at P.B.No.3209, Avanashi Road, Coimbatore - 641 014.
- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of the Applicant Company as on 30th September, 2017 are as under:

Particulars	Amount (Rs. in Lakhs)
Authorised Capital	
1,50,00,000 Equity Shares of Rs.10/-each	1,500.00
Issued, Subscribed and Paid-up Capital	
1,09,42,262 Equity Shares of Rs.10/- each	1,094.23

The shares of the Applicant Company are currently listed on the BSE Limited.

- d) The Applicant Company is a super specialty Hospital engaged in providing health services.
- e) The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The summary main objects or business of the Applicant Company are set out hereunder:
 - (i) To establish and run hospitals, healthcare institutions, medical centres and all other establishments and centres in advancing health diagnosis, care and recuperation;
 - (ii) To carry on research and development in any new product, process, drug discovery, medicines, therapeutic methods, drug delivery systems, treatment of patients, medical investigations etc.
 - (iii) To establish and run institutions, colleges, research institutes, academic training centres to educate and train doctors, nursing staff, paramedical staff, surgical staff and all other support staff in health services.
 - (iv) To acquire, establish and manage power plants, captive or otherwise for generating, transmitting and distributing electric power or energy.

Idhayam Hospitals Erode Limited ("IHEL" or "Transferor Company")

- a) Idhayam Hospitals Erode Limited was incorporated under the Companies Act, 1956 in the name of Idhayam Hospitals Erode Limited. Corporate Identification Number of the IHEL is U85110TZ2001PLC009631. Permanent Account Number of Idhayam Hospitals Erode Limited is AABC15858G Email ID of IHEL is accounts@kmchhospitals.com
- b) The Registered Office of the Transferor Company is situated at Door No.46, Avanashi Road, Coimbatore - 641 014.
- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company as on 30th September, 2017 are as under:

Particulars	Amount (Rs. In Lakhs)
Authorised Capital	
4,20,000 equity shares of Rs.100/- each	420.00
Issued, Subscribed & Fully Paid-up Share Capital	
3,72,440 equity shares of Rs.100/- each	372.44

- d) The Transferor Company is engaged in the business of running a hospital and providing health services.

- e) The Transferor Company is a wholly owned subsidiary (100%) of the Transferee Company.
- f) The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The summary of the main objects of the Transferor Company are set out hereunder:
 - (i) To establish, take over, manage and run nursing homes, hospitals, clinics, diagnostic centres, dispensaries etc.
 - (ii) To carry on the business to run health centres, yoga centres, immunization centre etc.

7. BACKGROUND OF THE SCHEME

- 7.1 The Scheme inter-alia provides for the Amalgamation of the Transferor Company with the Applicant Company. The Scheme does not envisage any issue of shares since the Transferor Company is a wholly owned subsidiary of the Transferee Company. Hence upon amalgamation the investment made in the shares of the Transferor Company will get knocked off in the books of the Transferee Company.

8. RATIONALE OF THE SCHEME

- 8.1. It is proposed to amalgamate the Transferor Company into the Applicant Company by this Scheme, as a result of which the following benefits shall, inter alia, accrue to the Companies:
 - a) The amalgamation will achieve efficient and optimum utilization of economic resources, infrastructure, manpower, facilities and associated cost cutting which is the need of the hour in the era of increased competition, consumer brand building costs and above all changes in legislative as well as business environment.
 - b) Upon transfer and vesting of the entire Undertaking of the Transferor Company, in accordance with the Scheme as sanctioned by the Tribunal, the net worth of the Transferee Company will increase thereby enabling the Transferee Company to leverage its resources and assets in a more efficient and advantageous manner paving way for quicker business growth and benefitting the shareholders of the Transferee Company.
 - c) As a whole, the Amalgamation of the Transferor Company with the Transferee Company will be in the best interests of all the stakeholders, equity shareholders, secured and other creditors, employees and everyone having dealings in the course of business with the Companies. In view of the aforesaid, the Board of Directors of both the Companies have considered and proposed this Scheme of Amalgamation and Arrangement under the provisions of Sections 230 and 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

9. SALIENT FEATURES OF THE SCHEME

- 9.1. Salient features of the scheme are set out as below:

- The Scheme is presented under Section 230 and 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be applicable, for the amalgamation of the Transferor Company with the Transferee Company;
- Since the Transferor Company is a wholly-owned subsidiary of the Transferee Company, the Transferee Company shall make joint applications and / or petitions under Section 230 and 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the jurisdictional National Company Law Tribunal ("Tribunal"), as the case may be for sanction of this Scheme and all matters ancillary or incidental thereto;
- 'Appointed Date' means 1st April, 2016 or such other date as may approved by the Tribunal or any other competent authority for the purposes of amalgamation of Transferor Company with Transferee Company;
- 'Effective Date' means the later of the dates on which the certified copy of the orders of the Tribunal sanctioning the Scheme are filed by the Companies with the Registrar of Companies, Tamilnadu, Coimbatore;
- The scheme does not envisage any issue of shares since all the shares in the capital of the Transferor Company is held by the Transferee Company. Accordingly valuation of shares of either Transferor Company or the Transferee Company does not arise.
- The scheme does not involve any capital restructuring or debt restructuring for the Transferee Company.

- This Scheme is and shall be conditional upon and subject to:
 - a) The Scheme being approved by the requisite majority of the unsecured creditors of the Transferee Company.
 - b) The sanction of the Scheme by the NCLT or any other authority under Sections 230 and 232 and other applicable provisions of the Act.
 - c) Authenticated / certified copy of the orders of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company.
 - d) The requisite consent, approval or permission of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

10. APPROVALS

- 10.1. Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company is not required to seek observation letters or no objection from BSE / NSE, since the amalgamation envisaged is between holding company (being a listed company) with its wholly owned subsidiary.
- 10.2. A copy of the draft scheme has been filed with the Registrar of Companies, Coimbatore, Tamil Nadu.

11. CAPITAL STRUCTURE PRE AND POST AMALGAMATION

- 11.1. Upon coming into force of the scheme, there will be no change to the paid-up share capital or to the shareholding of the promoters or promoters group or any category of persons holding shares as at 31st March, 2016, 31st March, 2017 and even as at 30th September, 2017 of the Transferee Company.
- 11.2. The Authorized Share Capital of the Transferee Company shall, upon Coming into Force of the Scheme, ipso facto, without any further act, deed or thing and without payment of any further registration fee or stamp duty for registration of such increase in authorized share capital, stand increased by the addition thereto of the Authorized Capital of the Transferor Company, such that the Authorized Capital of the Transferee Company on the Scheme becoming effective shall be Rs.19,20,00,000/- (Nineteen Crores Twenty Lakhs Only) divided into 1,92,00,000 (One Crore Ninety Two Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each.

12. GENERAL

- 12.1. The Applicant Company has made a joint application before the National Company Law Tribunal, Chennai Bench for the sanction of the Scheme under Sections 230 and 232 of the Companies Act, 2013.
- 12.2. The amount due by the Applicant Company to its Secured Creditors as on 30th September, 2017 is Rs. 13950.44 Lakhs.
- 12.3. The amount due by the Applicant Company to its Unsecured Creditors as on 30th September, 2017 is Rs. 4773.34 Lakhs.
- 12.4. All the secured creditors of the Applicant Company have provided their no objection by way of affidavit to the Scheme.
- 12.5. The Transferor Company has no secured creditors. Apart from the Transferee Company, there are no unsecured creditors in the Transferor Company.
- 12.6. In relation to the meeting of the Applicant Company, unsecured creditors of the Applicant Company whose names are appearing in the records of the Applicant Company as on 30th September, 2017 shall be eligible to attend and vote at the meeting either in person or through authorised representative convened as per the directions of the Tribunal.
- 12.7. The rights and interests of Secured Creditors and Unsecured Creditors of the Applicant Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Applicant Company will be able to meet its liabilities as they arise in the ordinary course of business.

- 12.8. None of Directors and KMP of the Applicant Company or their respective relatives is in any way connected or interested in the aforesaid resolution except to the extent of their respective shareholding, if any.
- 12.9. The latest audited accounts for the year ended 31st March, 2017 and supplementary unaudited accounting statement for the period ended 30th September, 2017 of the Applicant Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any Secured Creditors or Unsecured Creditors of the Applicant Company would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be adversely modified in any manner. Hence, the amalgamation will not cast any additional burden on the shareholders or creditors of the Applicant Company, nor will it adversely affect the interest of any of the shareholders or creditors.
- 12.10. There are no winding up proceedings pending against the Applicant Company as of date.
- 12.11. No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 in respect of the Applicant Company.
- 12.12. The Applicant Company and the Transferor Company are required to seek approvals / sanctions / no-objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director and Income-tax authorities will obtain the same at the relevant time.
- 12.13. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
- 12.14. As far as the employees of the Applicant Company and that of the Transferor Company are concerned there would not be any change in their terms of employment on account of the Scheme. Further, no change in the Board of Directors of the Applicant Company is envisaged on account of the Scheme.
- 12.15. The following documents will be open for inspection by the unsecured creditors of the Applicant Company at its registered office at P.B.No.3209, Avanashi Road, Coimbatore - 641 014, between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:
- (i) Copy of the order passed by the NCLT in Company Application No.177 of 2017, dated 21st November, 2017 of the Applicant Company;
 - (ii) Copy of the Scheme of Amalgamation filed by the Applicant Company before NCLT and the Registrar of Companies;
 - (iii) Copy of the Memorandum and Articles of Association of the Applicant Company and the Transferor Company, respectively;
 - (iv) Copy of the annual reports of the Applicant Company for the financial year ended 31st March, 2017;
 - (v) Copy of the audited financial statements of the Transferor Company for the financial year ended 31 March, 2017;
 - (vi) Copy of the Supplementary Unaudited Accounting Statement of the Applicant Company and the Transferor Company, respectively, for the period ended 30th June, 2017 and 30th September, 2017;
 - (vii) Copy of the resolutions, dated 03rd February, 2017, passed by the respective Board of Directors of the Applicant Company and the Transferor Company, respectively approving the Scheme;
 - (viii) Copy of the no objection issued by Secured Creditors of the Applicant Company;
- 12.16. This Statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. A copy of this Scheme, Explanatory Statement may be obtained free of charge on any working day (except Saturdays, Sundays and public holidays) prior to the date of the meeting, from the Registered Office of Applicant Company.

Date: 29th November, 2017
Place : Coimbatore

Sd/-
Dr.Nalla G Palaniswami
Chairman appointed for the meeting

Annexure 1

**SCHEME OF AMALGAMATION OF IDHAYAM HOSPITALS ERODE LIMITED
(TRANSFEROR COMPANY)
WITH
KOVAI MEDICAL CENTER AND HOSPITAL LIMITED
(TRANSFeree COMPANY)**

under Sections 230 and 232 of the Companies Act, 2013

1. This Scheme of Amalgamation provides for the amalgamation of **Idhayam Hospitals Erode Limited with Kovai Medical Center And Hospital Limited**, pursuant to the provisions of Sections 230 and 232 and other relevant provisions of the Companies Act, 2013 as the case may be. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith:

DEFINITIONS

In this Scheme, unless inconsistent with the subject or context -

- 1.1 “Act” or “The Act” means the Companies Act, 2013 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2 “Amalgamation” shall mean the transfer and vesting of the undertaking of the Transferor Company in the Transferee Company in accordance with the Scheme by way of merger by absorption.
- 1.3 “Amalgamated Company” or the “Transferee Company” means KOVAI MEDICAL CENTER AND HOSPITAL LIMITED (KMCH) a Company incorporated on 29/08/1985 (Twenty Ninth Day of August One Thousand Nine Hundred and Eighty Five Only) under the Companies Act, 1956 having its registered office at Post Box No.3209, Avanashi Road, Coimbatore - 641 014 bearing Company Identification No.L85110TZ1985PLC001659. The Transferee Company is a Listed Public Limited Company
- 1.4 “Amalgamating Company or “Transferor Company means IDHAYAM HOSPITALS ERODE LIMITED a Company incorporated on 05/02/2001 (Fifth Day of February Two Thousand and One) under the Companies Act, 1956 having its registered office at KMCH Premises, Door No.46, Avanashi Road, Coimbatore - 641 014 bearing Company Identification No. No.U85110TZ2001PLC009631. The Transferor Company is an Unlisted Public Limited Company.
- 1.5 “Appointed Date” means 1st April, 2016 (First Day of April Two Thousand and Sixteen).
- 1.6 “Coming into Force of the Scheme” shall mean that the Scheme shall be deemed to have come into force in all respects with effect from the Appointed Date and that such deeming construction shall take effect only on the Effective Date.
- 1.7 “Effective Date” means the last of the dates on which certified copy of the order(s) of the National Company Law Tribunal sanctioning the Scheme is filed with the Registrar by the Transferor Company and the Transferee Company and any other applicable provision as defined.
- 1.8 “Registrar” shall mean the Registrar of Companies, Tamil Nadu, Coimbatore under whose jurisdiction the place of situation of the Registered Offices of the Transferor Companies and Transferee Company falls.
- 1.9 “Scheme” or “the Scheme” or “this Scheme” means this Scheme of Amalgamation, subject to modifications, if any, approved or imposed or directed by the Tribunal.
- 1.10 “Tribunal” shall mean the National Company Law Tribunal at Chennai.

- 1.11 “Undertaking of Transferor **Company** shall mean and include -
- 1.11.1 the entire business, all the assets, rights, licenses and properties of the Transferor Company as appearing in its Audited Balance Sheet as at 31.03.2016 and without prejudice to the generality of the aforesaid, the undertaking of the Transferor Company shall include all the movable and immovable assets, both tangible and intangible properties, land, buildings, letters of intent, industrial and other licenses, leases, tenancy and other rights, approvals, consents, powers, entitlements, permits, authorizations, quotas, trademarks, copyrights, logos, symbols, trade descriptions, goodwill, patents, intellectual property rights, designs and drawings, trade secrets, industrial property rights, easements, advantages, benefits, rights, of all agreements, schemes, consents and other interests, investments in shares and securities, authorized capital being right to issue shares for which valuable registration fee has been already paid to the Registrar and all inventories, raw materials, stock in trade, work-in-progress, finished goods, equipments, goods in transit, advances of all kinds, deposits, book debts, receivables, outstanding monies, recoverable claims, agreements, arrangements, provisions and reserves, incentives, including without any limitation, privileges, liberties, rights and powers of all kinds, nature and description whatsoever in any manner owned by, in relation to or connected with the Transferor Company.
- 1.11.2 All the debts, liabilities, duties and obligations of whatsoever kind of the Transferor Company including but not limited to the liabilities as appearing in its Audited Balance Sheet as at 31.03.2016;

2. BACKGROUND, OBJECTIVES AND BENEFITS

- 2.1 The Scheme of Amalgamation of Transferor Company with the Transferee Company envisages transfer and vesting of the Undertakings of the Transferor Company in the Transferee Company.
- 2.2 Transferor Company is engaged in the business of providing health care services and is running a 100 bedded hospital. The Company was incorporated in the year 2001. The Transferor Company became a wholly owned subsidiary of the Transferee Company in the year 2007 with the Transferee Company acquiring 100% of the shares of the Transferor Company. The total number of shareholders in the Transferor Company is 07 (Seven) comprising of the Transferee Company and six individuals, who hold shares in their capacity as registered owners within the meaning of Section 89 of the Act for the purpose meeting the minimum number of members required to constitute a public company as per Section 3 of the Act. The beneficial interests in the shares held by the six individuals are held by the Transferee Company.
- 2.3 Transferee Company is also engaged in the business of providing health care services and running super specialty hospital with 1000 beds in two locations in the city of Coimbatore. The Transferee Company is well reputed in the city of Coimbatore and is successfully carrying out surgeries and treatment procedures including but not limited to cancer treatment, human organ transplantation and robotic surgeries with a very successful track record spanning over more than twenty five years.
- 2.4 The promoters of the Transferee Company are reputed doctors and have been in the health care business for more than 5 decades in India and abroad. With the health services growing in leaps and bounds, the Transferee Company considers that the right time has come to consolidate and expand its reach directly instead being as two different entities.
- 2.5 The Transferor Company has assets including business assets which, upon amalgamation as envisaged under this Scheme, would result in growth of business of the Transferee Company and the tangible assets of Transferor Company upon Amalgamation will enable the Transferee Company to consolidate the business of the Transferor Company seamlessly instead of the existing as two different entities. Further large hospitals always offers economies of scale and creates better scope for optimum and efficient utilization of economic resources and results in enhancement of efficiency and help in reduction of cost of services. This leads to more profits and paves way for profit maximization.

- 2.6 The amalgamation will also achieve efficient and optimum utilization of economic resources, infrastructure, manpower, facilities and associated cost cutting which is the need of the hour in the era of increased competition, consumer brand building costs and above all changes in legislative as well as business environment.
- 2.7 Upon transfer and vesting of the entire Undertaking of the Transferor Company as envisaged under sub-section (4) of Section 232 of the Act, in accordance with the Scheme as sanctioned by the Tribunal, the net worth of the Transferee Company will increase thereby enabling the Transferee Company to leverage its resources and assets in a more efficient and advantageous manner paving way for quicker business growth and benefitting the shareholders of the Transferee Company.
- 2.8 As a whole, the Amalgamation of the Transferor Company with the Transferee Company will be in the best interests of all the stakeholders, equity shareholders, secured and other creditors, employees and everyone having dealings in the course of business with the Companies.

3. SHARE CAPITAL AND FINANCIAL POSITION OF TRANSFEROR AND TRANSFEEE COMPANIES

- 3.1 The Authorised Share Capital of the Transferor Company as per the Audited Balance Sheet as at 31.03.2016 (Thirty First day of March, Two Thousand and Sixteen) is Rs.4,20,00,000/- is (Rupees Four Crores Twenty Lakhs Only) divided into 4,20,000 (Four Lakh Twenty Thousand) Equity Shares of Rs. 100/- (Rupees One Hundred Only) each. The Issued, Subscribed and Paid-up Capital as per the Audited Balance Sheet as at 31.03.2016 (Thirty First day of March, Two Thousand and Sixteen) is Rs.3,72,44,000/- (Rupees Three Crores Seventy Two Lakhs Forty Four Thousand Only) divided into 3,72,440 (Three Lakhs Seventy Two Thousand Four Hundred and Forty) Equity Shares of Rs.100/- (Rupees One Hundred Only) each.
- 3.2 The Turnover of the Transferor Company for the financial year ended 31.03.2016 (Thirty First day of March, Two Thousand and Sixteen) was Rs. 54,36,000/- (Rupees Fifty Four Lakhs Thirty Six Thousand Only). It earned a net profit of Rs.18,39,000/- (Rupees Eighteen Lakhs Thirty Nine Thousand Only) for the year ended 31.03.2016 (Thirty First day of March, Two Thousand and Sixteen).
- 3.3 The Authorised Share Capital of the Transferee Company as per the Audited Balance Sheet as at 31.03.2016 (Thirty First day of March, Two Thousand and Sixteen) is Rs.15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakh only) Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid-up Capital as per the Audited Balance Sheet as at 31.03.2016 (Thirty First day of March, Two Thousand and Sixteen) is Rs.10,94,22,620/- (Rupees Ten Crores Ninety Four Lakhs Twenty Two Thousand Six Hundred and Twenty Only) divided into 1,09,42,262 (One Crore Nine Lakhs Forty Two Thousand Two Hundred and Sixty Two Only) Equity Shares of Rs.10/- (Rupees Ten Only) each.
- 3.4 The Turnover of the Transferee Company for the financial year ended 31.03.2016 (Thirty First day of March, Two Thousand and Sixteen) was Rs. 473,04,48,000/- (Rupees Four Hundred and Seventy Three Crores Four Lakhs Forty Eight Thousand Only). It earned a net profit of Rs.40,43,35,000/- (Rupees Forty Crores Forty Three Lakhs Thirty Five Thousand Only) for the year ended 31.03.2016 (Thirty First day of March, Two Thousand and Sixteen).

4. **TRANSFER AND VESTING OF THE UNDERTAKINGS OF TRANSFEROR COMPANIES AND OTHER COMPONENTS OF THE SCHEME OF AMALGAMATION**

SECTION - I

- 4.1 On the Effective Date, it shall be deemed to have come into force on and from the Appointed Date and the expression "Upon the Coming into Force of the Scheme" shall be accordingly construed.
- 4.2 Upon Coming into force of the Scheme, the Undertakings of the Transferor Company shall, without any further act, deed or order be transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company in accordance with this Scheme in pursuance of Section 232 of the Act. Consequently the Undertaking of the Transferor Company shall become as an integral and indivisible parts of the Transferee Company such that all assets, liabilities, advantages, benefits, incentives, rights and obligations pertaining to the Undertaking of the Transferor Company shall be the properties, assets, rights, contracts and benefits and debts, liabilities, and obligations of the Transferee Company.
- 4.3 All properties, assets, rights, contracts and benefits comprised in the Undertaking of the Transferor Company shall, under the provisions of Section 232 of the Act, by virtue of the order of sanction of the Tribunal, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company with effect from the Appointed Date.
- 4.4 Upon Coming into Force of the Scheme, all the debts, liabilities and obligations comprised in the Undertaking of the Transferor Company shall also be and stand transferred to or be deemed to have been transferred, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 232 and other applicable provisions of the said Act so as to become as and from the Appointed Date, the debts, liabilities, duties, undertakings and obligations of the Transferee Company and further that it shall not be necessary to obtain any further consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 4.5 Merely by reason of the sanction of this Scheme, no claim or liability which has not been acknowledged or which has been in dispute shall be deemed to have been accepted or agreed upon by the Transferee Company. The Scheme does not purport to alter the nature or status or enforceability or validity of claims of any third party against the Transferor Company.
- 4.6 Upon Coming into Force of the Scheme, claims, contracts, rights, orders, decrees, conditions, obligations in favour of or against the Transferor Company will continue to be pursued or undertaken or challenged as the Transferor Company would have pursued or undertaken or challenged had there not been this Amalgamation, without any filing or recording whatsoever as if the Transferee Company were to be the claimant, applicant or petitioner as the case may be and wherever the Transferor Company is a party, without any further act, deed or thing, in pursuance of the Scheme, the Transferee Company, shall, ipso facto, become the party in the same respect in which the Transferor Company was placed immediately before the Coming into Force of the Scheme.

SECTION - II

- 4.7 Upon Coming into Force of the Scheme, to the extent that there are any loans, outstanding dues or balances due from either of the Transferor Company to the Transferee Company or vice versa, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company and there shall be no liability in this behalf by or from one company to another company.
- 4.8 The Transferee Company shall be deemed to have been authorized by the Transferor Company to execute any such writings on behalf of those companies to carry out all such formalities or compliances in order to secure fully and effectively the objectives of the Scheme.

SECTION - III

- 4.9 Upon Coming into Force of the Scheme, the Authorised Share Capital of the Transferor Company shall stand sub-divided with the nominal value of each share in the equity share capital of the Transferor Company which at present is Rs.100/- (Rupees One Hundred) each be sub-divided into 10 (Ten) equity shares of Rs.10/- (Rupees Ten) each resulting in 42,00,000 (Forty Two Lakhs) equity shares of Rs.10/- (Rupees Ten) each amounting to Rs.4,20,00,000 (Rupees Four Crore Twenty Lakhs) and merged with and added to the Authorised Share Capital of the Transferee Company as provided in Clause 10.1 without any further act, deed, thing or payment of fee for registration of such increase in the Authorised Share Capital in the name of the Transferee Company.
- 4.10 There will be no issue of shares arising out the amalgamation since Transferor Company is a wholly-owned subsidiary of the Transferee Company.

SECTION - IV

- 4.11 Without prejudice to the generality of the above and upon the Coming into Force of the Scheme, all assets, properties, rights, entitlements, benefits, liabilities, contingent liabilities and obligations pertaining to Undertaking of the Transferor Company hereby transferred to and vested in the Transferee Company, shall belong to and be owned, controlled and managed by the Transferee Company, together with charges and encumbrances, if any, thereon.
- 4.12 Where for any reasons, any part of the Scheme is not sanctioned or gets sanctioned with modifications, if any, the Scheme shall be construed accordingly and only that part of the Scheme that is not sanctioned shall not apply and other parts shall be construed, given effect and implemented accordingly after giving due effect in all respects to the part that has not been sanctioned and to the part that has been modified.
- 4.13 The above provisions shall have effect notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

5. LEGAL PROCEEDINGS, CONTRACTS, DEEDS, BONDS, SCHEMES AND OTHER INSTRUMENTS

- 5.1 There are no legal proceedings by or against the Transferor Company. Save as aforesaid, If there shall commence any such proceedings by or against the Transferor Company, upon Coming into Force of the Scheme, such proceedings shall in no way be affected solely by reason of the Coming into Force of the Scheme and consequent transfer and vesting of the Undertakings of the Transferor Company or of anything contained in the Scheme; such proceedings shall continue and be capable of being fully and effectively adjudicated by or against the Transferee Company in the same manner and to the same extent as if such proceedings were by or against the Transferee Company.
- 5.2 All legal, taxation or other proceedings, whether civil or criminal (including proceedings before any statutory or quasi-judicial authority or Tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, shall be continued and enforced by or against the Transferee Company after the Effective Date. Provided further for instituting or defending any suit by or against the Transferor Company after the date on which the Board of Directors of Transferee Company approves the Scheme, no action or filing or representation shall be made or done unless such action has the previous consent of the Transferee Company.
- 5.3 Subject to other provisions contained in this Scheme, all contracts, arrangements, deeds, bonds, agreements, instruments, writings and benefits of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before the Effective Date, subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the Transferor Company and other parties thereto, shall remain in full force and effect against or in favor of the Transferee Company, as the case may be, and may be enforced by and/or against the Transferee Company as fully and effectively as if the Transferee Company was party thereto instead of Transferor Company.
- 5.4 Inter se contracts and arrangements, if any, between the Transferor Company and the Transferee Company shall stand closed and effect thereof shall be given in the books of account by making contra entries as may be necessary in accordance with Generally Accepted Accounting Practices.

6. POSITION AS TO CHARGES

- 6.1 The transfer / vesting of the Undertaking of the Transferor Company as provided above shall be subject to existing charges / encumbrances/ hypothecation / mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof. Presently there are no charges to the properties of the Transferor Company.
- 6.2 The Scheme does not envisage any modification or dilution to the extent or operation or scope of any charge, if any created upon the properties of the Companies after the Appointed Date.

7. ACCOUNTING POLICY RELATING TO AMALGAMATION

- 7.1 The accounting of the Amalgamation under this Scheme shall be carried out in accordance with the Generally Accepted Accounting Principles as are prevailing in India. The accounting of the Amalgamation shall be done as per the Pooling of Interest Method prescribed in the Accounting Standard 14.
- 7.2 Upon Coming into Force of the Scheme, the immovable properties forming part of the Undertaking of the Transferor Company shall be carried to the books of account of the Transferee Company at their book value on a going concern basis.
- 7.3 A list of immovable properties of the Transferor Company has been given in **Schedule A**.

- 7.4 Upon Coming into Force of the Scheme, all other assets (excluding Immovable Properties) forming part of the Undertaking of the Transferor Company shall be carried to the books of account of the Transferee Company at the same value at which they are appearing in the books of account of the Transferor Company as at the Appointed Date.
- 7.5 Upon Coming into Force of the Scheme, all the liabilities forming part of the Undertaking of the Transferor Company shall be carried to the books of account of the Transferee Company at the same values at which they appear in the books of the Transferor Company as at the Appointed Date.
- 7.6 In case of any differences in the accounting policy between the Transferor Company and the Transferee Company, the impact of the same will be quantified and adjusted in the revenue reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 7.7 Notwithstanding anything stated above, in case of a need for clarification or adjustment, the Transferee Company, in consultation with its statutory auditors, resolve accounting issues, if any, in the best interests of the Company.

8. STAFF AND EMPLOYEES OF TRANSFEROR COMPANY.

- 8.1 All employees of the Transferor Company, prior to the Coming into Force of the Scheme, shall become the employees of the Transferee Company and the Transferee Company shall ensure the continuance of the length of service of any such employee and the terms and conditions of service applicable to such employee after Coming into Force of the Scheme shall not in any way be less favorable to them than those to which he/she was entitled to immediately before the transfer.

9. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE.

- 9.1 With effect from the Appointed Date and up to the Effective Date:
- 9.1.1 The Transferor Company shall carry on and shall be deemed to carry on all their activities for and on account of and in trust for the Transferee Company.
- 9.1.2 All income or profit accruing to the Transferor Company and all expenses or losses incurred by them shall for all purposes be treated as income, profits, expenses and losses as the case may be of the Transferee Company .
- 9.2 The Transferor Company shall not, without the concurrence of the Board of Directors of the Transferee Company, alienate, charge, encumber or otherwise deal with its Undertaking or any part thereof except in the ordinary course of business.
- 9.3 The Transferor Company shall not without the prior written consent of the Board of Directors of the Transferee Company:
- Undertake any material change in its business and businesses and other assets;
 - Issue any new shares by way of rights, bonus or otherwise.

10. POSITION OF AUTHORISED CAPITAL OF TRANSFeree COMPANY.

- 10.1 The Authorized Share Capital of the Transferee Company shall, upon Coming into Force of the Scheme, ipso facto, without any further act, deed or thing and without payment of any further registration fee or stamp duty for registration of such increase in Authorised share capital, stand increased by the addition thereto of the Authorised Capital of the Transferor Company after sub-division of its shares as provided in Clause 4.9 of this Scheme, such that the Authorized Capital of the Transferee Company on the Scheme becoming effective shall be Rs.19,20,00,000/- (Nineteen Crores Twenty Lakhs Only) divided into 1,92,00,000 (One Crore Ninety Two Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each.
- 10.2 The filing of the orders of the Tribunal together with the sanctioned Scheme with the office of the Registrar shall be deemed to constitute sufficient compliance of the provisions of the Act in respect of such sub-division of the shares of the Transferor Company and the automatic increase in the Authorized Share Capital of the Transferee Company.
- 10.3 The Transferee Company shall be entitled to mention at all appropriate places including all its financial statements and books, statements and all other records and wherever else required, the said increased Authorized Share Capital.
- 10.4 Upon Coming into Force of the Scheme, without any further act or deed on the part of the Transferee Company, the Authorized Share Capital mentioned in the capital clause of the Memorandum of Association of the Transferee Company shall reflect the aforesaid increased Authorized Share Capital of the Transferee Company and the said capital clause shall read as follows:

“The Authorised Share Capital of the Company shall be Rs.19,20,00,000/- (Nineteen Crores Twenty Lakhs Only) divided into 1,92,00,000 (One Crore Ninety Two Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each with the power to increase or reduce or alter the capital in accordance with the provisions of Companies Act, 2013.”

11. DECLARATIONS

- 11.1 The companies are solvent with sufficient assets capable of meeting all their liabilities including contingent liabilities Subject to Clause 6.1 above.
- 11.2 The Scheme does not include any company or undertaking that is not solvent.
- 11.3 No statement made in this Scheme shall merely as a result of the Scheme be construed to acknowledge any debt or liability of the companies that has not already been acknowledged as debt or liability by the respective companies.
- 11.4 The Scheme does not involve any compromise or arrangement with creditors of the companies.
- 11.5 None of the companies is under any investigation under any law for the time being in force.
- 11.6 The Scheme is subject to provisions of applicable laws and is further subject to consents, approvals and sanctions as stated hereunder.
- 11.7 The Scheme does not result in any change in control.

12. APPLICATIONS TO TRIBUNAL

- 12.1 On this Scheme being approved by the respective Boards of the companies, the companies will, with reasonable dispatch, apply to the National Company Law Tribunal for sanctioning the Scheme, with modifications, if any, and for dissolution of the Transferor Company without winding up.
- 12.2 If and when there is any change in applicable law requiring schemes of this nature to be sanctioned by the National Company Law Tribunal or any other court or authority or legal or quasi-judicial forum, to the extent context requires, the reference to Tribunal shall be construed to be referring to such forum or other authority as per applicable.

13. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 13.1 The Board of Directors of respective companies may agree to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Tribunal and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty or towards complying with any regulations or conditions issued or imposed by any Government authority that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.
- 13.2 The Board of Directors of respective companies are hereby authorized to do all acts, deeds and things to give such directions and/or to take such steps as may be necessary or desirable for the purpose of giving effect to this Scheme or to any modification thereof, including any directions for settling any question or doubt or difficulty whatsoever that may arise in relation to the Scheme.
- 13.3 No specific further approval of the shareholders of the respective companies shall be needed, unless otherwise directed by the National Company Law Tribunal giving effect to any technical or other such modifications that does not have any bearing to the scope, purpose and intent of the Scheme contained herein.

14. DISSOLUTION OF TRANSFEROR COMPANIES WITHOUT WINDING-UP

- 14.1 Upon sanctioning of the Scheme by the Tribunal in pursuance of Section 230 and 232 of the Act or under applicable provisions of the Companies Act, 2013, the Transferor Company shall stand dissolved without winding up with effect from the Appointed Date, or such other date as may be fixed by the Tribunal, without any further act, deed or thing in terms of the order of the Tribunal, as the case may be.

15. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

- 15.1 The Scheme is and shall be conditional upon and subject to:
- 15.2 Sanction by the Shareholders of the Transferee Company by way of approval by the convening of general meetings or through postal ballot.
- 15.3 Sanction and approval of the secured creditors of the Transferor and Transferee Company either by duly obtaining their consent affidavits, sanctioning the Scheme or by way of approval by the convening of their respective class meetings.
- 15.4 Sanction of the Scheme by the Tribunal under Sections 230 and 232 of the Act or under any prevailing Act at time of sanction.
- 15.5 Filing of a certified or authenticated copy of the Order of the Tribunal sanctioning the Scheme with the Registrar of Companies, Tamilnadu, Chennai by both the companies forming part of this Scheme.

16. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 16.1 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal and / or the Order(s) not being passed as aforesaid, the Scheme shall become null and void.

17. EXPENSES CONNECTED WITH THE SCHEME

- 17.1 All costs, charges, duties, taxes, legal and other fees and all expenses incidental and ancillary thereto of the Transferor Company and the Transferee Company incurred or liable to be incurred in relation to or in connection with or for giving effect to the Scheme and for ensuring complete implementation of the Scheme shall be borne and paid solely by the Transferee Company. For removal of doubts, it is hereby expressly declared that stamp duty and registration charges if applicable for anything in relation to the Scheme or issue or transfer of shares thereof shall be borne solely by the Transferee Company only.

Schedule - A

Description of the tangible immovable properties of the Transferor Company

Sl.no.	Location	Length	Breadth	Nos.	Area in Sft.	
1	South West Corner Room	12.5	21.75			271.88
2	Medical Shop	9.75	23			224.25
3	E.B.Room (7'0'ht)	3	9.75			29.25
4	Generator Room	41.75	13.5			563.63
5	EB Pannel Room & Gas Room (Ground Floor + First Floor)	50	9.75	2		975
6	Semibasement Built up Area	93.5	85		7947.5	
	Deduction	93.5	27		-2524.5	
					5423	5423
7	Ground Floor Build up Area	93.5	93.75			8765.63
8	First Floor	93.5	90.75			8485.13
	Second Floor	93.5	90.75		8485.13	
	Third Floor	93.5	90.75		8485.13	
	Fourth Floor	93.5	90.75		8485.13	
					25455.39	
	Deduction (II,III -IV)	13.25	17.5	3	(695.63)	
					24759.76	24759.76
9	Fifth Floor	34	93			3162
10	O.H.T. Room (Tank Room 10'+Tank/ Parapet 10')	12.25	18.5			226.63
11	Portic (Southern Side)	46.5	12.5		581.25	
	Portic (Eastern Side)	6	17.75		106.5	
					687.75	687.75
12	Staircase headroom/Lift head Room/ Water treatment Room	80.5	17.5			1408.75
	TOTAL SUPER BUILT UP AREA OF RCC STRUCTURE					54982.66

**Supplementary Unaudited Accounting Statement of Kovai Medical Center
and Hospital Limited for the period ended 30th September, 2017**



KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

Excellence in Healthcare

P.B. No. 3209, Avanashi Road, Coimbatore - 641 014.

Phone: +91 422 4323800 / 3083800 Email: secretarialdept@kmchhospitals.com

Website: www.kmchhospitals.com CIN : L85110TZ1985PLC001659

Statement of Standalone Unaudited Results for the Quarter / Half Year Ended 30th September 2017

(Rs. in Lakhs)

S. No	Particulars	Quarter Ended			Half year Ended	
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
		(UNAUDITED)			(UNAUDITED)	
1	Income from Operations					
	a) Revenue from Operations	15444.97	13714.32	13635.67	29159.29	26482.38
	b) Other Operating Income	32.07	25.78	19.99	57.85	31.14
	c) Other Income	210.89	200.45	209.03	411.34	368.12
	Total Income from Operations	15687.93	13940.55	13864.69	29628.48	26881.64
2	Expenses					
	a) Hospital Consumables	1949.12	1839.16	1849.49	3788.28	3601.13
	b) Cost of Goods Sold (Pharmacy)	2462.70	2169.71	2323.30	4632.41	4435.82
	c) Employee benefits expense	2450.89	2257.50	2219.98	4708.39	4383.29
	d) Finance Cost	278.49	297.79	366.13	576.28	765.66
	e) Depreciation and amortization expenses	758.67	613.96	585.75	1372.63	1158.34
	f) Other Expenses	5022.09	4320.09	3894.96	9342.18	7691.89
	Total Expenses	12921.96	11498.21	11239.61	24420.17	22036.13
3	Profit from ordinary activities before Tax (1-2)	2765.97	2442.34	2625.08	5208.31	4845.51
4	Tax expense					
	a) Current Tax	837.03	738.09	742.90	1575.12	1381.20
	b) Deferred Tax	163.71	116.62	176.46	280.33	311.10
	Total Tax Expenses	1000.74	854.71	919.36	1855.45	1692.30
5	Net Profit for the period (3-4)	1765.23	1587.63	1705.72	3352.86	3153.21
6	OTHER COMPREHENSIVE INCOME					
	Items that will not be reclassified to profit or loss					
	Remeasurement of post employment benefit obligations	(34.80)	(13.37)	(11.14)	(48.17)	(22.28)
	Change in fair value of FVOCI equity instruments	(1.18)	1.54	5.51	0.36	6.58
	Income Tax relating to above items	12.04	4.63	3.85	16.67	7.71
	Total Other Comprehensive Income For The Period, Net of Tax	(23.94)	(7.20)	(1.78)	(31.14)	(7.99)
7	Total Comprehensive Income For The Period (5-6)	1741.29	1580.43	1703.94	3321.72	3145.22
8	Basic and diluted Earnings Per Share	16.13	14.51	15.59	30.64	28.82

Statement of Assets and Liabilities

(Rs. in Lakhs)

Particulars	(IND AS) As at 30.09.2017		(IGAAP) As at 31.03.2017	
	(UNAUDITED)		(AUDITED)	
ASSETS				
1. Non Current Assets				
(a) Property, Plant & Equipment		37062.75		35396.05
(b) Capital Work in Progress		540.58		564.85
(c) Other Intangible Assets		69.26		26.57
(d) Financial Assets				
(i) Investments	383.04		372.27	
(ii) other Financial Assets	541.70	924.74	871.68	1243.95
(e) Other Non-Current Assets		516.62		-
Total Non Current Assets		39113.95		37231.42
2. Current Assets				
(a) Inventories		1062.84		877.76
(b) Financial Assets				
(i) Trade Receivables	1481.27		1175.34	
(ii) Cash & Cash Equivalents	11814.22		6812.82	
(iii) Other Bank Balances	48.33		-	
(iv) others Financial Assets	301.85	13645.67	128.47	8116.63
(c) Other Current Assets		224.06		171.29
Total Current Assets		14932.57		9165.68
TOTAL - ASSETS		54046.52		46397.10
EQUITY AND LIABILITIES				
1. Equity				
(a) Share Capital		1094.23		1094.23
(b) Equity		25432.07		22439.02
Total Equity		26526.30		23533.25
2. Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	9679.79		8572.39	
(ii) Other Financial Liabilities	60.37	9740.16	333.25	8905.64
(b) Other Non-Current Liabilities		650.86		580.52
(c) Deferred Tax Liabilities (Net)		4262.39		4004.06
Total Non Current Liabilities		14653.41		13490.22
3. Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	685.63		433.43	
(ii) Trade Payables				
a) Dues to Small & Medium Enterprises	58.46		63.71	
b) Others	1815.47		1561.03	
(iii) Other Financial Liabilities	9085.22	11644.78	6978.74	9036.91
(b) Other Current Liabilities		1222.03		336.72
Total Current Liabilities		12866.81		9373.63
TOTAL - EQUITY AND LIABILITIES		54046.52		46397.10

Notes :

- 1 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2017, the Company has for the first time adopted Ind AS with a transition date of April 1, 2016.
- 2 The Ind AS compliant financial results and financial information, for the quarter and half year ended September 30, 2016 have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.

Although not required, the financial position in respect of the previous year ended 31st March, 2017 have been disclosed. These have been furnished as per the the prevailing Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (IGAAP), realigned / rearranged to conform to current period classification and are not Ind-AS compliant. Hence, the Ind-AS figures for the Half year ended 30th September 2017 are not comparable with the figures for the year ended 31st March, 2017.
- 3 The Statement does not include Ind AS compliant results for the previous year ended March 31, 2017 as the same is not mandatory as per SEBI's Circular dated July 5, 2016.
- 4 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 10.11.2017
- 5 The Statutory Auditors have carried out a limited review of the results for the Quarter and Half year ended September 30, 2017.
- 6 The Company is mainly engaged in a single segment (Hospital service). Hence the results are reported under one segment as per the IND AS 108 -Operating Segments.
- 7 A reconciliation of the profit reported for the quarter and Half year ended 30th September 2016 as per IGAAP to total comprehensive income in accordance with IND AS is given below:

(Rs. in lakhs)

Particulars	Corresponding 3 months ended in the previous year 30.09.2016	Corresponding 6 months ended in the previous year 30.09.2016
Net Profit as per previous GAAP (Indian GAAP)	1,700.51	3,142.70
<u>Ind AS Adjustments</u>		
Remeasurement of actuarial gains / losses on employee benefits	11.14	22.28
Impact on account of Fair Valuation of Financials assets and liabilities	(0.23)	(0.45)
Depreciation impact on account of re-estimation of useful life	(2.71)	(5.28)
Deferred Tax impact on above adjustments	(2.99)	(6.04)
NET PROFIT AS PER IND AS	1,705.72	3,153.21
Other Comprehensive Income (net of tax)	(1.78)	(7.99)
TOTAL COMPREHENSIVE INCOME	1,703.94	3,145.22

This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/2016 issued by issued SEBI dated July 5, 2016 on account of implementation of Ind AS by listed companies.

- 8 Figures of the previous period / year have been regrouped / re-arranged wherever necessary to conform to the current period's presentation.

Annexure 3

**Supplementary Unaudited Accounting Statement of Idhayam Hospitals Erode Limited
for the period ended 30th September, 2017**

IDHAYAM HOSPITALS ERODE LIMITED

Corporate Identification Number (CIN) : U85110TZ2001PLC009631

Registered Office : KMCH Premises, P.B.No.3209, Avanashi Road, Coimbatore - 641014

Phone : (0422) -4323800 Email.accounts@kmchhospitals.com

Statement of Standalone Unaudited Results for the Quarter / Half Year ended 30th September 2017

(Rs. in Lakhs)

S. No.	Particulars	Quarter Ended			Half Year Ended	
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
1	Income Form Operations	UNAUDITED			UNAUDITED	
	a) Revenue form Operations	8.22	8.22	8.22	16.44	16.44
	b) Other Income	2.23	0.55	0.22	2.78	0.43
	Total Income From Operations	10.45	8.77	8.44	19.22	16.87
2	Expenses					
	a) Finance Cost	3.75	3.75	3.75	7.50	7.50
	b) Depreciation and Impairment Expenses	1.33	1.33	1.33	2.66	2.66
	c) Other Expenses	1.17	0.49	1.11	1.66	2.12
	Total Expenses	6.25	5.57	6.19	11.82	12.28
3	Profit from ordinary activities before Tax (1-2)	4.20	3.20	2.25	7.40	4.59
4	Taxation	-	-	-	-	-
	Total Tax Expenses	-	-	-	-	-
5	Net profit for the period (3-4)	4.20	3.20	2.25	7.40	4.59
6	Basic and Diluted Earnings Per Share	1.13	0.86	0.60	1.99	1.23

Statement of Assets and Liabilities

(Rs. in Lakhs)

Particulars	(IGAAP) As at 30.09.2017	(IGAAP) As at 31.03.2017
	Unaudited	Audited
ASSETS		
1. Non - Current Assets		
a) Property, Plant & Equipment	269.97	272.62
b) Long-Term Loans and Advances	22.64	37.63
Total Non Current Assets	292.61	310.25
2. Current Assets		
a) Cash and Bank Balance	50.34	29.90
b) Short Terms Loans and Advances	0.28	0.34
c) Other Current Assets	0.17	0.48
Total Current Assets	50.79	30.72
Total - Assets	343.40	340.97
EQUITY AND LIABILITIES		
1. Equity		
a) Share Capital	372.44	372.44
b) Reserves and Surplus	(280.57)	(282.75)
Total Equity	91.87	89.69
2. Non -Current Liabilities		
Others Long - Term Liabilities	250.00	250.00
Total Non Current Liabilities	250.00	250.00
3. Current Liabilities		
Other Current Liabilities	1.53	1.28
Total Current Liabilities	1.53	1.28
Total - Equity and Liabilities	343.40	340.97