

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Regd Office: No:6, Royal Road, Trichy – 620 001.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of the Company will be held on Thursday, the 24th, June, 2010 at 4 PM at Hotel Sangam, Cantonment, Trichy 620 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Twenty Seventh annual Report of the Directors, the audited Balance sheet as at 31st March 2010, Profit and Loss Account for the year ended 31st March 2010 and the Auditors' Report thereon.
2. Mr D Selvaraj, Mr R Mohan and Mr A Krishnamoorthy, are retiring by rotation and they are willing and eligible for re-appointment as Directors.
- 2a. To appoint a Director in place of Mr D Selvaraj who retires by rotation at this meeting and being eligible, offers himself for reappointment.
- 2b. To appoint a Director in place of Mr R Mohan, who retires by rotation at this meeting and being eligible, offers himself for reappointment.
- 2c. To appoint a Director in place of Mr A Krishnamoorthy, who retires by rotation at this meeting and being eligible, offers himself for reappointment.
3. To appoint Auditors:
RESOLVED THAT the retiring auditors of the Company, M/s Patel, Mohan Ramesh & Co., Chartered Accountants, Chennai being eligible for reappointment, be and are hereby reappointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, on such terms and conditions as to remuneration, out of pocket expenses etc., as may be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution:
"RESOLVED THAT the various Articles in the Articles of Association of the Company are amended / inserted by new Articles as given under —

- I. The Interpretation Clause shall have the following inclusions after the existing interpretations —

- t. Shares — "Shares" shall mean the equity shares of the Company, with one vote per equity share and at par value of Re 1/- per equity share.
 - u. Share Capital — "Share Capital" shall mean the total issued and paid up shares of the company, determined on a fully diluted basis.
 - v. Share Equivalent — shall mean any instrument convertible into shares including without limitation global depository receipts, American depository receipts, convertible debentures, warrants, convertible preference shares and Foreign Currency Convertible Bonds, of the company.
 - w. Shareholding — shall mean, in respect of any Person, the sum of the number of Shares held legally or beneficially by such Person on a fully diluted basis, such sum expressed as a percentage of the Share Capital.
 - x. Stock Exchange — shall mean all those Securities and Exchange Board of India recognized stock exchanges on which the shares of the company are listed as also stock exchanges on which the share equivalents of the company are listed.
 - y. Transfer — (including with correlative meaning, the term "Transferred by") shall mean to transfer, sell, pledge, assign, hypothecate, create a security interest in or Lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of law or in any other way subject to any encumbrance or disposal thereof.
 - z. Writing — includes printing, lithography, type-writing and any other usual substitute for writing.
- The following are inserted after the existing Article 5
1. The company may opt to avail the services of a depository pursuant to the Depositories Act, 1996, if the Board of Directors so consider and shall if the SEBI requires the company to avail the services of a depository, the Board of Directors may take such steps as may be necessary to have its securities dealt with in fungible form and partly in physical form or and partly in demat form as the case may be. The Board of Directors will also have power to have demat shares converted into shares in a physical form at the option of the shareholders, if such a course is permissible in law.

Every person subscribing to securities offered by the Company shall have the option to receive security / certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the company shall, in the manner and within the time prescribed provide to the beneficial owner the required certificates or securities.

If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security and on receipt of the information the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Nothing contained in Section 153, 153A, 153B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

The following are inserted after the existing Article 16

1. The Board of Directors shall also have power if and in any event of an legislation is made permitting the company to issue shares without voting rights, may issue shares without voting rights on such terms and conditions as they may deem fit subject to the provisions of the Companies Act and other applicable provisions regulating the voting rights.

2. Company may, subject to the provisions of Section 77A & 77B of the Companies Act, purchase its own shares or other specified securities out of its free reserves or the securities premium account or the proceeds of any other shares or any specified securities and also issue sweat equity shares subject to fulfillment of conditions as mentioned in Section 79A of the Companies Act and also shares to the employees of the Company or its associate companies under the employees stock option scheme as may be framed and followed in accordance with the guidelines that are notified, issued or may be issued by the SEBI.

3. The Board may at any time increase the subscribed capital of the company by issue of new shares out of the unissued part of the Share capital in the original or subsequently created capital but subject to Section 81 of the Act and subject to the following conditions namely—

A. a. such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

b. the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer if not accepted will be deemed to have been declined.

c. the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the share offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement to this right.

B. The Directors may with the sanction of the company in General Meeting offer and allot shares to any person at their discretion provided that such sanction is accorded either by –

a. a special resolution passed at any General Meeting

b. “by an ordinary resolution passed at a General Meeting by a majority of the votes cast with the approval of the Central Government in accordance with Section 81 of the Act,. Provided that an option or right to call of shares shall not be given to any person or person except with the sanction of the company in general meetings”.

4. The company shall have the right to issue any shares which carry voting rights or rights in the company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders other shares.

5. As regards all allotment of shares, from time-to-time made, the Board shall duly comply with Section 75 of the Act.

6. An application signed by or on behalf of the applicant for shares in the company, followed by an allotment of any shares therein, shall mean acceptance of the shares within the meaning of these Articles,, and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

7. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of the several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 21 below.

8. If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time-

to-time shall be the registered holder of the share or his legal representatives or representative if any.

9. The Board of Directors may permit the holder of shares / debentures / deposits nominate any person, to whom his shares in or debentures / deposits of company shall vest in the event of death and may in addition to the manner prescribed under the provisions of the Companies Act consider framing of such procedure as may be necessary for regulating the nomination of shares in or debentures / deposits of the Company under the provisions of the Companies Act.

The following are inserted after the existing Article 37

1. On the trial or hearing of any action or suit brought by the company against any shareholder or his representative to recover any debt or money claimed to be due to the company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the company and it shall not be necessary to prove the appointment of the Directors who made any call not that a quorum of directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

2. When any shares shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

The following are inserted after the existing Article 48

1. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Managing Director or by some person for the time being duly authorized by the Board in that behalf. In case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate he shall be entitled to receive a new certificate without payment of any fee in this regard and upon his delivering up to be cancelled every old or existing certificate which is to be replaced by a new one.

2. The instrument of transfer shall, after registration, remain in the custody of the company or the Registrars and Share Transfer Agents / Common Agency of the Company. The Board may cause to be

destroyed all transfer deeds lying with the company for a period of ten years or more.

3a. The company shall keep a book to be called the "Register of Members" and therein shall be entered the particulars of every transfer or transmission of any shares and all other particulars of shares required by the act to be entered in such Register.

b. All instruments of transfer which shall be registered shall be retained by the company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.

4. The company shall be entitled to maintain the Register of Members in such form and such mode as may be permitted under the provisions of the Companies Act and the Company be permitted to maintain "Foreign Registers" at the place other than the Registered Office of the company as the Board of Directors may consider expedient.

5. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

The following are inserted after the existing Article 49

1. The resolution whereby any share is sub-divided may determine subject to the provisions of the Act that, as between the holders, of the shares resulting from such sub-division one or more such shares shall have some preference of special advantage as regards dividend, capital or otherwise over or as compared with the others.

The following are inserted after the existing Article 60

1. Share Warrant shall entitle the bearer thereof to the shares included in it and the shares shall be transferred by the delivery of the share warrant and the provisions of the Articles of Association the Company with respect to transfer and transmission of share shall not apply thereto.

The following are inserted after the existing Article 79

1. On a poll, votes may be given either personally or by proxy provided that no company shall vote by proxy as long as resolution of its directors in accordance with provisions of Section 187 is in force.

The following are inserted after the existing Article 91

1. Subject to the provisions of the Act the company shall be entitled to appoint director/s on a non-rotational basis.

2. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting, and such sanction if any of the Government of India as may be required under the Companies Act, sanction and pay to the Whole-Time Directors such remuneration for their services as Whole Time Directors or otherwise and for such period and on such terms as they deem fit.

3. Subject to the provisions of the Act, the Board of Directors in their meeting may sanction and pay to the directors in addition to their remuneration, an incentive out of the after tax net profits of the company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided in an agreed upon ratio, between the whole-time directors of the company who held office as whole time directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they had held office respectively as such whole time directors.

4.A Director may be or become a director of any company promoted by this company or in which this company may be interested as vendor, shareholder or otherwise and no such director shall be accountable to the company for any benefits received as a director or member of such company.

5.The business of the company shall be carried on by the Board of Directors.

The following Article is to replace the existing Article 95

1. Each committee shall have a Chairman to conduct the meeting; if he is not available or if for any meeting he is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their member to be Chairman of the meeting.

The following are inserted after the existing Article 124

1.The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Other Additions

1. (As addition to the contents of the existing Article 31) – Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

2. (As addition to the contents of the existing Article 35)—and that declaration and the receipt of the company for the consideration, if any given for the shares on the sale of disposal thereof, shall constitute a good title to the share and the person to

whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

3. (As additions to the existing Article 133) – In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

Once the insertions are done with the entire Articles of the Articles of Association of the company is to be consecutively numbered starting from number 1".

NOTES

i. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be the member of the company. Proxies in order to be valid must be lodged with the Company in its Registered Office at least 48 hours before the meeting.

ii. The Register of members of the Company will be closed from 17th June, 2010 to 30th June, 2010 (both days inclusive). Queries on Agenda items shall reach the Registered Office at least 7 days before the AGM to facilitate detailed reply at the meeting.

Registered Office:

**No.6 Royal Road,
TRICHY 620 001.**

Date: 21-05-2010

(By Order of the Board)

Dr S Chandrakumar

Managing Director & CEO

DIRECTORS' REPORT

The Board of Directors of your company have pleasure in presenting the Twenty Seventh Annual Report of the company together with the audited statements of account for the year ended 31.03.2010.

1. The financial results are as follows:

	(Amount in lacs of Rupees)	
	2009-2010	2008-2009
Operating Income	853.70	327.38
Other Income	<u>34.66</u>	<u>45.05</u>
Total Income	<u>888.36</u>	<u>372.43</u>
Operating and Administrative Expenses	837.36	405.01
Financial cost	-	139.81
Depreciation	86.53	91.03
Deferred Tax & FBT	<u>6.07</u>	<u>(374.78)</u>
	<u>929.96</u>	<u>261.07</u>
Net Profit (Loss)	(41.60)	111.36

In spite of the increased revenues, due to the cumulative losses (Rs 316.76 lacs) incurred the management is not able to recommend any dividend.

The company has suffered due to severe competition offered by the number of smaller nursing homes offering the same type of services as our hospital, at a lesser cost due to comparatively lower overheads. Being Corporate Hospital our hospital has certain fixed type of statutory overheads. We are not able to match their cost without compromising with, quality and ethical standards of Medical care. Further many of the equipments have become old and obsolete requiring replacement. Strengthening of the other resources like human resources, modification of ICUs, Operation Theatres and Ward & OP Rooms and Halls are also considered necessary, to suit the present needs and comply with the accreditation standards.

To augment these needs the Board of Directors in their meeting held on 21.01.2010 decided to issue twelve equity shares of Re 1 each to every one equity share held by the equity shareholders. After receiving the required approval from SEBI, the offer document for the proposed rights issue will be duly sent to the shareholders.

HIGHLIGHTS

Our company has enrolled for Chief Ministers Insurance plan provided for people below povertyline.
Inauguration of Audiology department.
Inauguration of fulltime Gastro Enterology Department.
Inauguration of Obesity Clinic.

2. Directors

At present the following is the constitution of the Board –

1. Mr A Mohan
2. Dr S Chandrakumar
3. Mr A Krishnamoorthy
4. Dr S Manivannan
5. Dr T Senthilkumar
6. Mr D Selvaraj
7. CA S Chenthilkumar
8. Mr B Pattabhiraman

3. Disclosure under section 217(1)(e) of the Companies Act, 1956.

The particulars required to be given as per the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are as under—

i. Conservation of Energy

The nature of the business of the company is such that the consumption of energy is not significant when compared to the overall cost of operation. However company takes all efforts to conserve energy and carries out periodical energy audits.

ii. Technology Absorption

The company currently is forced to restrict the updation of technology on account of severe financial constraints. However within the limitation, everything possible was done to acquire, improve and update the technology in various fields of Medicine.

iii. Foreign Exchange Earning and Outgo

	Current Year	Previous Year
a. Export and Foreign Exchanges Earned	NIL	NIL
b. Value of import of goods on CIF basis	NIL	NIL
c. Foreign Travel	NIL	NIL

4. Particulars of Employees pursuant to section 217(2A)

There is no employee drawing a salary attracting the provisions of Section 217(2A) of the Companies Act, 1956 except Dr S Chandrakumar, the Managing Director of the Company. (From 1.10.2009 to 31.03.2010, Rs 213500 per month)

5. Directors' Responsibility Statement pursuant to Section 217(2AA) of the Companies Act, 1956.

Your Directors report as follows –

i. that in the preparation of the annual accounts relating to the financial year ending on 31.03.2010, the applicable Accounting Standards had been followed and proper explanatory statements had been added relating to material departures, wherever necessary.

ii.that the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31.03.2010 and Profit of the company for the financial year ending on that date.

iii.that 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.

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

v.that a comprehensive Code of Conduct has been laid down for all the Board Members and Senior Management Personnel of the Company. Strict compliance of this Code of Conduct by the Board Members and Senior Management personnel is closely monitored. This code of conduct has also been posted on the website of the company.

6. Audit Committee

In sequence of the change in the management the Audit Committee is re-constituted with the following members –

CA S Chentilkumar	—	Chairman (Non-Executive & Independent)
Sri R Mohan	—	Member (Non-Executive & Independent)
Sri D Selvaraj	—	Member (Non-Executive)

The Audit Committee met 4 times during the year.

7. Deposits

The company has not accepted any deposit from the public.

8. Personnel

Employer-employee relationship in your company continues to be cordial. Your directors look forward to the same in future.

9. Auditors and their Report

M/s Patel, Mohan, Ramesh & Co, Chartered Accountants, Chennai, the present Statutory Auditors of the company have enclosed their Report.

They are willing and eligible for re-appointment. More details are included in the Notice to the shareholders. The auditors in their report for the period 2009-2010 indicated the non maintenance of the Fixed Assets

Register as per prescribed provisions of the Accounting Standards and non inclusion of terms of repayment of loans borrowed from the company under the same management.

In the course of efforts taken for revamping the civil areas as well as equipments, the proper fixed locations for the fixed assets could not be recorded. The management is taking prudent measures to set right the deficiency. The management is also assuring a full compliance within a short while.

Since the revamping process is not completed and still going on, the revenue generated by the operating activities are not sufficient to augment the requirements. Therefore for the loans borrowed from the company under the same management for the above purposes, the repayment terms could not be arrived at, as the future generation of revenues could not be predicted. Once the conditions of revenue generations are promising, which is assured by the present performance of the hospital, the terms of repayment will be arranged with the lenders in the best interest of the Company.

The substantially whole part of the accumulated losses are the legacy of the previous management. The present management is applying all strategies to reduce these accumulations within the shortest possible period. The major step taken towards this end is the capital reduction process undertook and successfully completed by the present management.

However the management is not leaving even a single stone un turned, to increase the revenues and to control the costs.

10. Corporate Governance

A Detailed Corporate Governance Report has been annexed to this report.

11. Acknowledgement

Your Directors wish to thank various Government Agencies, State Bank of India, Punjab National Bank and Axis Bank for their continued co-operation and the support to the company. Your Directors wish to record their appreciation of services rendered by the staff, consultants and officers of the company during the year under report.

	For and on behalf of the Board
Place: Trichy	Dr S Chandrakumar
Date : 21.05.2010	Managing Director

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

KMC Speciality Hospitals (India) Limited, a company in the KMC group is committed in adopting the best possible practices of corporate governance. Corporate Governance envisages commitment of the Company towards the attainment of rendering the best medical facilities to the society at large at moderate cost, attaining the goal of making itself transparent and accountable with the ultimate objective of protecting the long-term interest of the Shareholders and other stakeholders.

Name of the Director	Executive/ Non Exec. Independent	No of Meetings Attended	Attendance at last AGM held on 2010	No of outside Directorship	No of Membership/ Chairmanship in Other Board Committees
Mr. R. Mohan	Independent	5	Present	-	(NIL)
Dr. S. Chandrakumar	Managing Director	5	Present	03	(NIL)
Dr. S. Manivannan	Non-Executive	4	Present	01	(NIL)
Dr. T. Senthilkumar	Non-Executive	5	Present	01	(NIL)
Mr. D. Selvaraj	Non-Executive	5	Present	02	(NIL)
Mr. A. Krishnamurthy	Non-Executive	5	-	03	2
CA S. Chenthilkumar	Independent	5	Present	-	(NIL)
Mr.B. Pattabhiraman	Independent	3	Present	08	1

The Total strength of the Board as on the Date of the report is 8.

Board Meetings were held during the financial year 2009 – 2010 on the following dates –

Name of the Director	DATES OF MEETINGS				
	1st 13.05.2009	2nd 17.06.2009	3rd 31.07.2009	4th 29.10.2009	5th 21.01.2010
Mr R Mohan	Present	Present	Present	Present	Present
Dr S Chandrakumar	Present	Present	Present	Present	Present
Dr S Manivannan	Present	Present	—	Present	Present
Dr T Senthilkumar	Present	Present	Present	Present	Present
Mr D Selvaraj	Present	Present	Present	Present	Present
Mr A Krishnamoorthy	Present	Present	Present	—	Present
CA S Chenthilkumar	Present	Present	Present	Present	Present
Mr B Pattabhiraman	Present	Present	—	Present	—

AUDIT COMMITTEE

An Audit Committee consisting of the following independent directors has been reconstituted on 26.03.2009 -

- 1.CA S Chenthilkumar Chairman
- 2.Mr R Mohan Member
- 3.Mr D Selvaraj Member

Keeping in mind the Whistle Blower Policy as per Clause 49(IV) of the Listing Agreement, no personnel are denied access to the Audit Committee for sharing their views, suggestions or deficiencies in systems and procedures.

During the financial year 1.4.2009 to 31.3.2010 the Audit Committee met as per the details given hereunder –

Name of the Director	DATES OF MEETINGS			
	1st 13.05.2009	2nd 31.07.2009	3rd 29.10.2009	4th 21.01.2010
CA S Chenthilkumar	Present	Present	Present	Present
Mr. R. Mohan	Present	Present	Present	Present
Mr. D. Selvaraj	Present	Present	Present	Present

From 1.3.2009 our company has appointed a Company Secretary cum Compliance Officer of the Company. At present the Shareholders' / Investors' Grievance Committee consists of the following members –

Mr A Krishnamoorthy
Dr S Manivannan
Mr D Selvaraj

The committee met once during the year with full attendance, on 21.01.2010, to discuss the normal communications from the shareholders like change of address, non receipt of Annual Report etc (only 5 complaints in total for 3 meetings) for which immediate actions were taken. A separate email ID has been created to enable the share holders to register their grievances.

Upon reconstitution of the Board by induction of two Independent Directors all the committees are re-constituted for efficient operational purposes.

The total number of complaints received during the financial year 1.4.2009 to 31.3.2010 are categorized as under –

Nature of Complaints	Number of Complaints
1.Non-receipt of Annual Report and Accounts Annual Reports were sent duly sent in time. However for shareholders who haven't received, copies were sent.	5
2.Non-Receipt of share certificates The Duplicate share certificates were issued, wherever needed	Nil
3.Non receipt of Refund of Share Application Money	Nil
4.Non receipt of dividend The shareholders were informed that no dividend was declared so far.	NIL
5.Others (Non receipt of DD relevant to open offer)	NIL

Share Transfer Committee

M/s Cameo Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai - 600001 has been appointed as the Registrar and Share Transfer Agents since June, 2008.

At present the Share Transfer Committee consists of the following members—

1.Dr S Chandrakumar	Chairman
2.Dr S Manivannan	Member
3.Dr T Senthilkumar	Member

The committee met ten times during the financial year 2009-2010 and ensured that all valid transfer deeds and transmission applications were acted upon and share certificates sent to the transferee promptly within 30 days of receipt of the Documents as required under the provisions of the Stock Exchange Listing Agreements.

Remuneration Committee

At present the Remuneration committee consists of the following members –

1.Mr A Krishnamoorthy	Chairman
2.Mr R Mohan	Member
3.Mr D Selvaraj	Member

The Remuneration committee met once on 25.8.2009 to fix the remuneration to the Managing Director, Dr S Chandrakumar, which remuneration details have been included in the Annual Report for the year 2008-2009.. Apart from the above no remuneration was paid to any director except the sitting fees paid to the Independent Non-Executive Directors.

ANNUAL GENERAL MEETINGS

1.Location and time for the last three AGMs

Year	Date	Venue	Time
2006-2007	16.09.2007	Registered Office No. 6, Royal Road Trichy – 620 001	12.00 Noon
2007-2008	14.07.2008	—do—	4.30 p.m
2008-2009	25.09.2009	Hotel Sangam Cantonment Trichy – 620 001	4.00 p.m

2.Special Resolutions passed in the previous AGM (2008-2009)	4
3.Whether any special resolution passed last year through postal ballot	Nil
4.Person who conducted the postal ballot exercise	Not Applicable
5.Whether any special resolution proposed to be conducted through Postal ballot	NIL

DISCLOSURE

Necessary disclosures on Substantial Acquisition of Shares and Takeovers Regulations 1997 by the Promoters / Directors as required by SEBI has been made up to date and filed with Stock Exchanges at Mumbai and Chennai.

MEANS OF COMMUNICATIONS

The company is publishing Unaudited quarterly / Audited annual results in English and Tamil Newspapers promptly besides faxing the same to the Stock Exchanges where the shares of the company are at present listed, immediately after each of the Board Meetings in which resolutions for adopting the accounts are passed. Besides such financial results are also published in the company's website.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility of Corporate hospital industry is four-dimensional and can be thought of, in terms of service, profitability, ecological friendly and outreach.

1.Service – The slogan of the company itself is 'People Caring for People'. The Management is determined to maintain a culture of Customer Service Excellence, respecting their diversified feelings and treating them with dignity. A wide land space is covered for providing services taking the services to the doorsteps of the patients when required. The management is striving its best to provide to the patient customers more and more comfort and convenience, thus paving way to a positive healthcare experience.

2.Profitability—The core policy of the management is to protect and enhance the value of the organization's assets while maximizing the shareholders' and stakeholders' benefit.

The financial figures depicted by the Directors' Report are self explanatory to speak about the efforts taken by the present management to enhance the status of all the shareholders and stakeholders of the company. All the resources are put to judicious use to benefit all in need of care, by generating higher revenue when compared to the previous year. Not only this but controlling the cost and improving the efficiency are also some of the basic concerns of the management.

3. Ecological friendly – The management considers ethically, the organization's obligation to protect the environment as per the ecological protocols prescribed by the authorities. At this juncture the management is following prudently the waste management protocols prescribed by the Pollution Control Boards. The waste is segregated and disposed off as per the provisions of the protocols.

Moreover as a simple gesture of bringing out the difference and reducing the alarming global warmth, the management has made arrangements to participate in the green revolution by implanting and maintaining trees in various places in and around Trichy. At present it has become an accelerated stride with strong anti-carbon footprints of the company aiming at a low carbon economy.

4.Outreach – The management is committed to the general public through expending for public programs to the extent possible. Free health check-ups and medical advices are provided to the rural and ignorant people, by various outreaching programmes conducted independently and also with other medical associations.

Various Medical, Paramedical and Hospital Management Programmes are being conducted by the company. Diversified projects are being considered by the management to bring into its ambit multi-dimensional medical services under one roof.

With all the above committed and dedicated measures of philanthropy our hospital company is assured of an unprecedented winning edge.

GENERAL SHAREHOLDER INFORMATION

It is brought to the notice of the shareholders that since March 2010, the shares of our company has been dematerialized with National Securities Depositories Ltd and Central Depository Services Ltd. The shareholders may kindly contact the Common Agency M/s Cameo Corporate Services Ltd, No 1, Subramanian Building, Club House Road, Chennai - 600 002, in this regard.

It is also brought to the kind notice of the shareholders that as per SEBI's instructions, every transferee of shares is to furnish his/her PAN number to the company / Registrars and Share Transfer Agents of the company to get the shares transferred in his/her name.

The Twenty Seventh Annual General Meeting is scheduled to be held on Thursday, the 24th June, 2010 at 4.00 p.m at Hotel Sangam, Cantonment, Trichy – 620 001 as per the notice enclosed. The shares of the company are at present listed with Bombay Stock Exchange Limited, Madras Stock Exchange Limited and Delhi Stock Exchange Limited and the listing fees for the year 2009-2010 were paid to them duly. The share trades of the company in the stock exchanges are not worth monitoring. The total number of shares transferred during the financial year 2009-2010 was 32 900 which constitutes 0.26% of the total shares of the company.

The communications sent to many of the shareholders are reverted back to the company for want of proper addresses. Hence the shareholders who are receiving this Annual Report are requested to advise any of the other shareholders known to them who have not received the Annual Report, to communicate to the company their current addresses where the communications are to be sent. The shareholders can also send their addresses to the email id referred at the end of this report.