

KMC Speciality Hospitals (India) Limited

Bankers

Axis Bank
Indian Overseas Bank
Punjab National Bank
State Bank of India

Auditors

M/s Patel Mohan Ramesh & Co
Chartered Accountants
Old .4, New 35, ARK Colony,
Eldams Road, Alwarpet,
Chennai - 600 018.

REGISTERED OFFICE & CORPORATE HOSPITAL COMPLEX

6, Royal Road,
Cantonment,
Trichy – 620 001.

BOARD OF DIRECTORS

Mr R Mohan	Chairman Director
Dr S Chandrakumar	Managing Director & CEO
Dr S Manivannan	Director
(Upto 27th July, 2011)	
Dr T Senthilkumar	Director
Mr D Selvaraj	Director
Mr A Krishnamoorthy	Director
Mr CA S Chenthilkumar	Director
Mr B Pattabhiraman	Director
Mr S Krishnamurthy	Nominee Director
(w.e.f. 23 rd May, 2011)	
Dr D Senguttuvan	Director
(w.e.f. 27 th July, 2011)	
Smt N Jayanthi	Company Secretary

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 Eighth Annual General Meeting of the members of the Company will be held on Wednesday, the 21st, September, 2011 at 3.30 pm at Hotel Sangam, Cantonment, Trichy 620 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Twenty Eighth annual Report of the Directors, the audited Balance sheet as at 31st March 2011, Profit and Loss Account for the year ended 31st March 2011 and the Auditors' Report thereon.
 2. Dr D Senguttuvan, Dr T Senthilkumar and CA S Chenthilkumar are retiring by rotation and they are willing and eligible for re-appointment as Directors.
 - 2a. To appoint a Director in place of Dr D Senguttuvan who retires by rotation at this meeting and being eligible, offers himself for reappointment.
 - 2b. To appoint a Director in place of Dr T Senthilkumar, who retires by rotation at this meeting and being eligible, offers himself for reappointment.
 - 2c. To appoint a Director in place of CA S Chenthilkumar, 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, (FRN : 002597S) 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. MANAGERIAL REMUNERATION

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

"RESOLVED UNANIMOUSLY THAT pursuant to, the provisions of Sections 198, 269, 309, 310, 311, 316 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force and subject to the approval of the shareholders, the recommendation of the Remuneration Committee be and is hereby

accorded to the re-appointment of Dr S Chandrakumar as the Managing Director of the company for a period of two years from 30.05.2011 to 29.05.2013 with the following remuneration payable with effect from 1st October, 2011–

Basic	Rs 2 00 000 p.m
HRA	Rs 20 000 p.m
PF	Rs 24 000 p.m

Plus

Bonus @ 8.33% of Gross pay.

Gratuity as per the Gratuity Act.

LTA not exceeding 50% of one month basic pay, subject to IT provisions.

Reimbursement of medical insurance premium to self and family, to the extent of Rs 25000 per annum. Reimbursement of actual expenditure of fuel bills of car utilized for official purposes.

Company's car with driver.

Payment to the bills of mobile phone/s used and internet connections used for official purposes."

5. To consider and if thought fit to pass, with or without modification, the following resolutions as Special Resolutions –

"Resolved that subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, the rules framed thereunder, listing agreement, SEBI (Delisting of Securities) Guidelines 2003 and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, the Board of Directors of the company be and is hereby authorised to seek voluntarily delisting of its Equity Shares from Madras and Delhi Stock Exchanges."

"Resolved further that the Equity shares of the company shall continue to be listed on the stock exchange having nation wide trading terminals vis the stock exchange Mumbai and therefore as per the said guidelines issued by the SEBI, no exit opportunity need to be given to the shareholders of the company."

"Resolved further that the Board of directors of the company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution."

6. TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTIONS AS ORDINARY RESOLUTIONS.

"Resolved that the co-option of Mr S Krishnamurthy into the Board as Additional Director from 23rd May, 2011 be and is hereby approved and taken on record."
 "Resolved unanimously that Mr S Krishnamurthy, be and is hereby confirmed as the Nominee Director of the Company not liable to retire by rotation, nominated by IVAPL, the investors of the Holding Company Sri Kavery Medical Care (Trichy) Limited."

7. TO CONSIDER AND IF THOUGHT FIT TO PASS, WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTIONS AS ORDINARY RESOLUTIONS.

"Resolved that the co-option, w.e.f. 27th July, 2011, of Dr D Senguttuvan into the Board in the casual vacancy caused by the resignation of Dr S Manivannan, the director of the Company, be and is hereby approved and taken on record."

NOTES

i. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. A proxy need not be the member of the company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or other authority shall be deposited 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 Friday, 16th September, 2011 to Friday, 30th September, 2011 (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.

iii. Members desiring any information as regards the accounts are requested to write to the Company at least seven days before the meeting so as to enable the management to keep the information ready.

Registered Office: (By Order of the Board)
 No.6 Royal Road,
 TRICHY 620 001.
 Date: 27-07-2011

Dr S Chandrakumar
 Managing Director & CEO

Annexure to Notice

Explanatory Statement annexed to the Notice convening the Twenty Eighth Annual General Meeting of the Company as required under Section 173(2) of the Companies Act, 1956 in respect of the Special Business.

Item 4

Explanatory Statement as required under Sec.173(2) of the Companies Act 1956 in respect of item no 4 of the notice is annexed.

Dr S Chandrakumar the Managing Director of the Company assumed his office on 30.05.2008 for a period of three years. Since then his tireless contributions has elevated the company in leaps and bounds to a status of virtual multi-speciality hospital not only in name but also in provision of quality services, generating revenue to service the various stakeholders and creating a positive identity.

Until 01.10.2009 he offered his services to the company without claiming any remuneration. Since then he is paid the following remuneration which was duly approved by the shareholders in their annual general meeting held on 25th September, 2009 –

- (a) Basic Salary Rs.1,75,000 per month
- (b) House Rent Allowance Rs. 17,500 per month
- (c) Provident Fund Rs. 21,000 per month
- (d) Bonus payable @ 8.33% of Gross Salary.
- (e) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (f) Leave Travel Allowance not exceeding 50% of one month basic salary, subject to Income Tax provisions.
- (g) Encashment of leave at the end of the tenure.
- (h) Reimbursement of medical insurance premium to self and family, to the extent of Rs.25,000 per annum.
- (i) Reimbursement of actual expenditure of fuel bills of car utilized for official purposes.
- (j) Company's car with driver.
- (k) Payment to the bills of mobile phone/s used and internet connections used for official purposes.

Family means dependent children and dependent parents of the managerial person.

In view of his past and present dedicated and devoted services towards Re-vamping and Re-engineering the status of the company which is clearly evidenced by the developments in various dimensions and the future responsibilities posed on him to sustain viability and driving the activities towards the ever expanding goals, the re-appointment of Dr S Chandrakumar, the Managing Director of the Company as Managing Director of the Company for a further period of two years from 30.05.2011 to 29.05.2013 with the remuneration structure as indicated in the resolution in Item number 4 above and as recommended by the Remuneration Committee is placed before the shareholders for their kind perusal.

Dr S Chandrakumar is the Managing Director of the Holding Company Sri Kavary Medical Care (Trichy) Ltd from where he draws remuneration as per the provisions of the Companies Act, 1956.

None of the Directors are interested in the above cited resolution in Item 4 except Dr S Chandrakumar whose re-appointment and remuneration is being considered and Dr S Chandrakumar, Dr S Manivannan, Dr T Senthilkumar, Mr D Selvaraj, Mr A Krishnamoorthy and Mr S Krishnamurthy are the Directors in the Holding Company Sri Kavary Medical Care (Trichy) Ltd, Dr S Chandrakumar being the Managing Director of the Holding Company.

STATEMENT PURSUANT TO SCHEDULE XIII, RELEVANT TO MANAGERIAL REMUNERATION

1. GENERAL INFORMATION

1. Nature of Industry	Health Care
2. Date of Commencement of commercial activities	31 st December, 1982 (As Pvt Ltd Company) 15 TH July, 1988. (As Public Ltd Company)
3. New Company Details	NA
4. Financial performance of the FYs 2008-2009, 2009-2010 and 2010-2011 are given below –	Amount in lacs
Net Annual Sales / Revenue	
Net Profit after taxes	
5. Export performance	NA
6. Foreign Investments and Collaborations	NA

II. INFORMATION ABOUT THE APPOINTEE

1. Background details — Dr S Chandrakumar is a leading Anaesthesiologist, with over 19 years of reputed clinical experience and managing multi speciality hospitals and is the founder promoter of the company.

2. Past Remuneration — As indicated in the Explanatory Statement above.

3. Recognition of Awards.

He was an Executive member of the Health Care Sub Committee in Confederation of Indian Industry Tamil Nadu and selected by the same as one of the 101 best Entrepreneurs in Tamil Nadu for the year 2008 - 2009.

Currently he is the Chairman of CII, Trichy Zone covering 8 Districts.

He is the Charter Chairman of Bharatiya Vidya Bhavan, Trichy Kendra which is a part of national movement for cultural renaissance.

4. Job Profile and his suitability

Job profile is as per the provisions of the Companies Act, 1956. He is Promoter / Managing Director of this multi-speciality hospital in Trichy with renowned brand value. In spite of the competitions existing in the industry the note worthy growth of the hospital in all dimensions erasing out its past negative reputations with its present quality performance, is the indication of his suitability to his designation.

5. Remuneration proposed

— As mentioned in Resolution No 4

6. Comparative Remuneration Profile

— The nature of this industry depends upon the caliber / skills of the individual involved, therefore not-comparable.

7. Pecuniary relationship with the company — NIL

III. OTHER INFORMATION

1. Reasons for Inadequate Profit — The company is embarking on renovation of its civil structure and replenishment of its medical equipments and increasing its bed capacity. In view of the additional cost of operations, financing cost and depreciation, the profitability is expected to be under pressure in the revamping phase.

2. Steps taken / proposed for improvement — Adopting strategies to ensure that quality

performance is assured and higher level of revenue is achieved.

3. Expected increase in productivity and profits in measurable value –Expected to be in increasing trend in line with the performance since take over of management in May, 2008.

IV. DISCLOSURES

All the details of the remuneration are included in the special resolution which forms part of the Notice of the AGM sent to all the share holders individually. No stock options have been issued to any of the above cited Director.

Memorandum of Interest

None of the other Directors of the company is in any way concerned or interested in the above appointment.

Item 5 Explanatory Statement as required under Sec.173(2) of the Companies Act 1956 in respect of item no 5 of the notice is annexed.

Item 5

The Equity shares of the Company are being listed in Bombay, Madras and Delhi Stock Exchanges since the public issue in 1992. Since then the requirements of the listing agreements with the stock exchanges have been duly complied with. The listing fees to the stock exchanges have been paid including the fees for the FY 2011-2012.

Since March 2010, shares of our company are dematerialised with NSDL and CDSL. The present outstanding number of Equity shares are 163085000 out of which 84.49% is under dematerialised form with the depositories and the balance is dealt in physical form.

SEBI Guidelines provides that if the shares of the company are listed with a Stock Exchange which has a nation wide electronic trading terminal, the listing with other stock exchanges is not mandatory. Bombay Stock Exchange Limited has a nation wide electronic trading terminal and recognized by Securities Exchange Board of India – SEBI, for the above purpose. In the light of the above the special resolutions in Item No 5 are placed before the shareholders for their kind perusal.

None of the Directors are interested in the above cited resolutions in Item 5.

Item 6

Explanatory Statement as required under Sec.173(2) of the Companies Act 1956 in respect of item no 6 of the notice is annexed.

Mr S Krishnamurthy was co-opted into the Board of the Holding Company Sri Kavery Medical Care (Trichy) Ltd as an independent Director since 24th September, 2010. From 21st March, 2011 he was re-designated as the Nominee Director of the investors of the Holding Company.

With effect from 23rd May, 2011 onwards he was nominated to our Board by the investors of the Holding Company.

Hence the above cited resolutions in Item 6, were placed before the shareholders for their approval.

None of the Directors are interested in the above cited resolution except Dr S Chandrakumar, Dr S Manivannan, Dr T Senthilkumar, Mr D Selvaraj, Mr A Krishnamoorthy and Mr S Krishnamurthy are the Directors in the Holding Company Sri Kavery Medical Care (Trichy) Ltd, Dr S Chandrakumar being the Managing Director of the Holding Company.

Item 7

Explanatory Statement as required under Sec.173(2) of the Companies Act 1956 in respect of item no 7 of the notice is annexed.

With effect from 27th July, 2011, Dr S Manivannan the Director of the Company has resigned his office of directorship in our company due to his commitments in the other projects of the same group.

In the casual vacancy created by the resignation of Dr S Manivannan, Dr D Senguttuvan was co-opted into the Board of the Company with effect from 27th July, 2011. He has a rich experience over 2 decades in the field and a renowned paediatrician in Trichy District. His services to the Hospital company and other hospitals in the group are proven through the performance results of the hospitals and are worthy to be recorded. The Board at its wisdom thought it fit to co-opt such an eminent doctor into the Board to avail his able guidance and directions in the operations of the Company.

Hence the above cited resolution in Item 7 was placed before the shareholders for their approval. None of the Directors are interested in the above cited resolution.

Registered Office:

(By Order of the Board)

No.6 Royal Road,

TRICHY 620 001.

Dr S Chandrakumar

Date: 27-07-2011

Managing Director & CEO

DIRECTORS' REPORT

The Board of Directors of your company have pleasure in presenting the Twenty Eighth Annual Report of the company together with the audited statements of account for the year ended 31st March, 2011.

1. The financial results are as follows:

	(Amount in lacs of Rupees)	
	2010-2011	2009-2010
Operating Income	1279.71	853.70
Other Income	29.11	34.66
Total Income	<u>1308.82</u>	<u>888.36</u>
Operating and		
Administration Expenses	1207.20	836.83
Financial expenses	55.77	0.53
Depreciation	85.39	86.53
Profit/(Loss) before Tax	(39.54)	(35.53)
Deferred Tax	412.00	6.07
Net Profit (Loss)	<u>(451.54)</u>	<u>(41.60)</u>

The company during the year incurred a Financial expenses of Rs 55.77 lacs (previous year – Rs0.53lacs), consequent to payment of interest on the Unsecured Loan taken from the Holding company and on the term Loan availed from Axis Bank for renovation of Hospital Premises,. After providing depreciation of Rs 85.39 lacs (Previous year Rs 86.53 lacs), there was Loss before Tax of Rs 39.54 lacs as compared to Loss before tax of Rs 35.53 lacs in the previous year

During the year under review the company received a notice u/s 148 of the Income Tax Act,1961 seeking to reopen the assessment for the Assessment year 2007-08 and disallow the carry forward depreciation loss to an extent of Rs.1,371.60 lacs. The company has recognised deferred tax asset for the carry forward depreciation loss allowed earlier on this amount. Consequent to this notice, the company has made a Provision for Deferred Tax of Rs 412.00 lacs

and the Loss after Tax was therefore higher at Rs 451.54 lacs as compared to Loss after tax of Rs 41.60 lacs in the previous year.

In view of the losses no amounts could be transferred to reserves and dividend could not be declared.

The shareholders are aware that your company has successfully completed the Rights Issue at 12:1 ratio, with a subscription to the tune of 1.12 times of the issue involving an Issue amount of Rs 150540000.

The utilization of Rights Issue Proceeds projected in the Letter of Offer dated 11.01.2011 and the amount of proceeds utilized as on 31.03.2011 is provided below for the kind reference of the shareholders.

Sl. No	Particulars	Amount Projected Rs in lacs	Amount Expended Rs in lacs
1	Renovation and civil construction	153.00	—
2	Equipments	103.85	—
3	Repayment of loans	1175.00	1175.00
4	General corporate purposes	23.55	—
5	Rights Issue Expenses	50.00	60.02
6	Fixed Deposit	—	270.38
	TOTAL	1505.40	1505.40

It is brought to the notice of the members that till date an amount of Rs 53 lacs has been borrowed against the Fixed Deposit of Rs 270.38 lacs for investing in, renovation works and medical equipments.

2. HIGHLIGHTS DURING THE YEAR

Bed strength : There has been a gradual increase in the operational bed strength of KMCSHIL . Starting from 70 operational beds early last year we have now escalated to a present operational bed capacity of 135 beds that is likely to go up to 200 in the next 6 months.

Facilities Upgradation : This includes:

- An exclusive health check up area with CT Scan and Digital X-ray machines.
- A fully equipped physiotherapy facility with advanced equipments.
- Extension of the OPD by adding more OP rooms for consultants.
- A fully equipped advanced NICU and exclusive child friendly pediatrics ward.
- New Operation Theatre complex with 3 major, 1 minor, 1 labour and 1 septic OTs. An exclusive laminar flow OT for Joint Replacement surgeries.
- Advanced ICU , PICU and IMCU.

3. Directors

NAME OF THE DIRECTORS	STATUS OF THE DIRECTOR
Mr R Mohan	Independent/Non-Executive Chairman
Dr S Chandrakumar	Managing Director
Dr S Manivannan – Upto 27 th July, 2011	Non Executive Director
Dr T Senthilkumar	Non Executive Director
Mr D Selvaraj	Non Executive Director
Mr A Krishnamoorthy	Non Executive Director
CA S Chenthilkumar	Independent / Non-Executive Director
Mr B Pattabhiraman	Independent / Non-Executive Director
Mr S Krishnamurthy with effect from 23 rd May, 2011	Nominee Director
Dr D Senguttuvan with effect from 27 th July, 2011	Non-Executive Director

With effect from 27th July, 2011, Dr S Manivannan the Director of the Company has resigned his office of directorship in our company due to his personal and other commitments in the projects of the same group.

In the casual vacancy created by the resignation of Dr S Manivannan, Dr D Senguttuvan was co-opted into the Board of the Company with effect from 27th July, 2011. He has a rich experience over 2 decades in the field and a renowned paediatrician in Trichy District. His services to the Hospital company and other hospitals in the group are proven through the performance results of the hospitals and are worthy to be recorded. The Board at its wisdom thought it fit to co-opt such an eminent doctor into the Board to avail his able guidance and directions in the operations of the Company.

4. 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

In spite of the fund constraints, the company is currently in the process of updation of technology in various fields of Medicine. Within the limitations, everything possible was done to acquire, improve and update the technology.

iii. Foreign Exchange Earning and Outgo

Particulars	Current Year	Previous Year
a. Export and Foreign Exchanges Earned	NIL	NIL
b. Import and Foreign Exchange Expended	NIL	NIL
c. Foreign Travel	NIL	NIL

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

No employee of the company was in receipt of remuneration during the financial year 2010-11, in excess of sum prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

6. 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 ended on 31st March, 2011, 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 31st March, 2011 and Profit or Loss of the company for the financial year ended 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.

7. Audit Committee

The present constitution of the Audit Committee with the following members continues–

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

The Audit Committee met 4 times during the year.

8. Deposits

The company has not accepted any deposit from the public.

9. Personnel

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

10. 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 detailed Audit Report for the FY 2010-2011 is annexed with the Financials for the year ended 31st March, 2011.

11. Corporate Governance

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

12. Acknowledgement

Your Directors wish to thank various Government Agencies, State Bank of India, Axis Bank, Indian Overseas Bank and Punjab National 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.

Registered Office:
**No.6 Royal Road,
TRICHY 620 001.**
Date: 27-07-2011

(By Order of the Board)
Dr S Chandrakumar
Managing Director & CEO

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your company believes that good corporate governance practices are imperative for sustaining business that aims at generating long term value to all its shareholders and other stakeholders. Hence it follows the principles of fairness, transparency, accountability and responsibility in all its activities. Your company also endeavors to make continuous improvement in all disciplines of its operations and render best and affordable medical facilities to the society.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENT

Both the public sector and private sector deliver the healthcare services in India. The public healthcare system consists of healthcare facilities run by central and state government which provide services free of cost or at a subsidized rates to low income group in rural and urban areas. With the Indian economy enjoying a steady growth, the industry is heading towards growth phase.

The Indian healthcare industry is one of India's largest sectors, in terms of revenue and employment and growing at a frantic pace and has the potential to show the exponential growth.

2. OPPORTUNITIES & THREATS

Our Company is a super speciality Hospital with 175 beds, based in Tiruchirappalli affiliated to the renowned brand KMC and with a team of dedicated professionals in all specialities. We provide quality healthcare to patients in key specialty areas such as Neurosurgery, Cardiovascular & thoracic surgery, Orthopedics, Plastic and Reconstructive Surgery, Gynecology, Neonatology and Nephrology (including renal transplants). A special feature of the hospital is the availability of the state-of-the-art equipments and trained personnel required for managing critically ill patients. Our hospital is fully equipped to deal with all kinds of accident victims 24 hours a day.

The company is exposed to normal threats of business like competition, ever increasing cost, dynamic changes in technology and attrition.

3. FINANCIAL AND OPERATIONAL PERFORMANCE

In spite of the challenges faced while renovating, rebuilding or repositioning the completely rundown hospital, the constant increase in the revenues since take over of management in May, 2008 accompanied with the complete upgradation of a super structure depicts the positive transition in the financial and operational performance.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

An Independent professional Audit Committee and an efficient team of internal auditors ensure the functional and conceptual adequacy of internal control systems.

5. DEVELOPMENTS IN HUMAN RESOURCES

During the year professionals have been appointed in managerial, functional and technical specialities.

6. OUTLOOK

Being a listed corporate entity our vision and mission is centered around, core corporate governance and corporate social responsibility and as a corporate citizen in the constant pursuit of creating and maintaining a flawless health care atmosphere around.

Board of Directors

Name of the Director	Executive/ Non Exec. Independent	No of Meetings Attended	Attendance at last AGM held on 2010	No of outside Director-ship	No of Chairmanship/ Membership in other Com. Chairman	Com. Member
Mr. R. Mohan	Independent	5	Present	-	NIL	Nil
Dr. S. Chandrakumar	Managing Director	5	Present	05	NIL	Nil
Dr. S. Manivannan	Non-Executive	3	Present	04	NIL	Nil
Dr. T. Senthilkumar	Non-Executive	5	Present	01	NIL	Nil
Mr. D. Selvaraj	Non-Executive	5	Present	02	NIL	1
Mr. A. Krishnamoorthy	Non-Executive	5	-	05	6	7
CA S. Chenthilkumar	Independent	5	Present	-	NIL	Nil
Mr. B. Pattabhiraman	Independent	3	Present	07	Nil	Nil

The Total strength of the Board as on the Date of the report is 9.

Board Meetings were held during the financial year 2010 – 2011 on the following dates –

Name of the Director	BOARD MEETINGS				
	21.05.2010	02.08.2010	27.10.2010	11.01.2011	11.02.2011
Mr R Mohan	Present	Present	Present	Present	Present
Dr S Chandrakumar	Present	Present	Present	Present	Present
Dr S Manivannan	Present	Present	NIL	Present	NIL
Dr T Senthilkumar	Present	Present	Present	Present	Present
Mr D Selvaraj	Present	Present	Present	Present	Present
Mr A Krishnamoorthy	Present	Present	Present	Present	Present
CA S Chenthilkumar	Present	Present	Present	Present	Present
Mr B Pattabhiraman	NIL	NIL	Present	Present	Present

AUDIT COMMITTEE

The Audit Committee consists of the following Directors –

- | | |
|-----------------------|----------|
| 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. A mail id advocacy@kmcspecialityhospital.in is created for this purpose and the same information is published in the website of the company.

During the financial year 2010 - 2011 the Audit Committee met as per the details given hereunder –

Name of the Director	Audit Committee Meetings			
	21.05.2010	02.08.2010	27.10.2010	11.02.2011
Mr R Mohan	Present	Present	Present	Present
Mr D Selvaraj	Present	Present	Present	Present
CA S Chenthilkumar	Present	Present	Present	Present