

ANNUAL REPORT 2012 - 2013
KMC SPECIALITY HOSPITALS (INDIA) LIMITED

BANKS	AUDITORS
Axis Bank	M/s Patel Mohan Ramesh & Co
Indian Overseas Bank	Chartered Accountants
Punjab National Bank	Old 4, New 35, ARK Colony, Eldams Road
State Bank of India	Alwarpet, Chennai - 600 018.
City Union Bank	

REGISTERED & CORPORATE HOSPITAL COMPLEX

6, Royal Road, Cantonment
Trichy - 620 001.

BOARD OF DIRECTORS

Mr R Mohan (Upto 28th May, 2013)	Chairman
Dr S Chandrakumar (From 30th May, 2013)	
(Upto 29th May 2013 - Managing Director & CEO	Chairman Managing Director & CEO
Mr D Selvaraj	Director
Mr A Krishnamoorthy	Director
CA S Chenthilkumar	Director
Mr B Pattabhiraman	Director
Mr S Krishnamurthy	Nominee Director
Dr D Senguttuvan	Director
Dr S Vijayabaskaran	Director
Mr Pradipta K Mohapatra (From 28th May, 2013)	Director
Smt N Jayanthi	Company Secretary & Compliance Officer

KMC SPECIALITY HOSPITALS (INDIA) LIMITED
REGISTERED OFFICE: NO 6 ROYAL ROAD, TRICHY 620 001.
NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirtieth Annual General Meeting of the members of the Company will be held on Saturday, the 20th July, 2013 at 10.30 am at Hotel Sangam, Cantonment, Trichy - 620001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Thirtieth Annual Report of the Directors, the Audited Balance sheet as at 31st March 2013, Profit and Loss Account for the year ended 31st March 2013 and the Auditors' Report thereon.

2. To consider the Directors retiring by rotation.

2a. To appoint a Director in place of Dr S Vijayabaskaran, Director who retires by rotation at this meeting, being eligible and willing offering himself for re-election.

2b. To appoint a Director in place of Mr D Selvaraj, who retires by rotation at this meeting and not opting for re-election.

3. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution

:
"RESOLVED THAT subject to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act 1956, M/s BSR and Company, Chartered Accountants, (FRN: 128900W), be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting, in place of the retiring Auditors M/s Patel Mohan Ramesh and Co, to audit the accounts of the Company for the Financial Year 2013-14 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, on recommendation of the Audit Committee of the Directors."

SPECIAL BUSINESS:

4. EXTENSION OF TERM OF OFFICE OF THE MANAGING DIRECTOR AND ELEVATING HIM AS CHAIRMAN & MANAGING DIRECTOR (CMD)

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

"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 and elevation of Dr S Chandrakumar as the Chairman and Managing Director of the Company from 30th May, 2013 till the Annual General Meeting of the year 2015 with the following same remuneration as fixed in the Annual General Meeting held on 21st September, 2011 -

Basic	Rs 2,00,000 pm
HRA	Rs 20,000 pm
PF	Rs 24,000 pm

Plus
Bonus @ 8.33% of Gross pay. (Basic + HRA)
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."
"Resolved Further that in the absence or inadequacy of profits in any year, Dr S Chandrakumar is entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the above cited resolution, subject however to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956."

5. ELEVATION OF DR D SENGUTTUVAN AS EXECUTIVE DIRECTOR OF THE COMPANY AND FIXING HIS REMUNERATION.

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

"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 elevation and appointment of Dr D Senguttuvan, the Non-Executive Director of the Company, as the Executive Director of the Company from 20th July, 2013 till 30th September 2016 with the following remuneration payable with effect from 20th July, 2013 -

Basic	Rs 150000 pm
HRA	Rs 15000 pm
PF	Rs 18000 pm

Plus
Bonus @ 8.33% of Gross pay. (Basic + HRA)
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.
Payment to the bills of mobile phone/s used and internet connections used for official purposes."

"Resolved Further that in the absence or inadequacy of profits in any year, Dr D Senguttuvan is entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the above cited resolution, subject however to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956."

In addition he is entitled to Doctor's fees for the services rendered in his professional capacity on actual basis.

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

"Resolved that Dr S Manivannan, the Joint Managing Director of the Holding Company, in respect of whom the company has received a notice u/s 257 of the Companies Act, 1956 from the Holding Company Sri Kavery Medical Care (Trichy) Ltd, proposing the candidature of the office of the Director, in the vacancy caused by the resignation of Mr D Selvaraj, the Non-Executive director of the Company, be and is hereby appointed as the Non-Executive Director of the Company liable to retire by rotation."

7. 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 Pradipta K Mohapatra into the Board as Additional Director wef 28th May, 2013 be and is hereby approved and taken on record."

"Resolved that Mr Pradipta K Mohapatra, be and is hereby confirmed as the Non-Executive, Independent Director of the Company liable to retire by rotation, with effect from 28th May, 2013."

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 16th July, 2013 to 20th July, 2013. (both days inclusive).
- iii. Members desiring any information as regards the agenda items 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.
- iv. The members who holds shares in dematerialized form are requested to bring their Client Id and DP ID. Nos for easier identification of attendance at the meeting.
- v. Corporate members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
- vi. As a measure of economy, copies of annual reports will not be distributed at the AGM. Members are therefore requested to bring their copies of Annual Report to the meeting.

Registered Office:
No.6 Royal Road,
TRICHY 620 001.
Date: 28, May, 2013

(By Order of the Board)

N Jayanthe
Company Secretary

Annexure to Notice

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

Item 3 - Requiring Special Notice

It is brought to the kind information of the shareholders that the Statutory auditors for the Promoter Holding Company Sri Kavery Medical Care (Trichy) Limited is M/s B S R and Company, Chennai, an Indian associate of one of the Big Four International Audit Firms KPMG.

With a view to ensure uniform accounting and auditing practices for the purpose of consolidation of their accounts and as a guiding and directing factor in these processes, the Promoter Holding Company sent a special notice on 23rd May, 2013 as required u/s 224(2) of the Companies Act, 1956, to appoint M/s B S R and Company, as Statutory Auditors of the Company, a copy of which is annexed herewith. The cited notice has been placed before the Audit Committee and Board meetings held on 28th May, 2013. After due deliberations the Audit Committee and the Board recommended the same to the perusal of the shareholders. Hence the above cited resolution No.3 has been placed before the shareholders.

At this juncture the Management, on behalf of the shareholders wishes to place on record the invaluable professional advises and services rendered by the retiring auditors M/s Patel Mohan Ramesh & Co., during their tenure with us. The Management has informed them that it is taking the privilege of availing their professional services in other requisite areas.

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.

Mr R Mohan, the Chairman Director of the Company has resigned from his directorship and chairmanship from the Board since 28th May, 2013.

The re-appointment of Dr S Chandrakumar as the Managing Director of the Company from 30th May, 2011 to 29th May, 2013 was confirmed in the AGM for the year 2011.

Considering the contributions of Dr S Chandrakumar, the Managing Director of the Company in steering the company to its current phenomenal turnaround, the Board and the Remuneration Committee at their

wisdom, subject to the approval of the shareholders, complying with the provisions of Section 302 of the Companies Act, 1956, recommended elevating him as the Chairman & Managing Director of the Company from 30th May, 2013 to the date of AGM for the year 2015 with the cited remuneration in resolution 4 fixed in the AGM, 2011.

Hence the cited resolution no.4 has been placed before the shareholders for their approval.

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

STATEMENT PURSUANT TO SCHEDULE XIII, RELEVANT TO MANAGERIAL REMUNERATION

1.GENERAL INFORMATION

1	Nature of Industry	Heath Care
2	Date of Commencement of Commercial Activities	31-12-1982 (As Pvt Ltd Company) 15-07-1988 (As Public Ltd Company)
3	New Company Details	NA
4	Financial performance of the FYs 2010-2011, 2011-2012 and 2012-2013 are given below-	

Particulars	Amount in Lacs		
	2010-11	2011-12	2012-13
Net Annual Sales / Revenue	1331.30	1996.42	2919.15
Net Profit after taxes	(451.54)	80.32	93.57

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 20 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.

He was the Chairman of CII, Trichy Zone covering 8 Districts in the year 2011-2012.

He is the Convener of CII Health Care Panel - Trichy Zone.

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. Inspite 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 endeavors of the administration to erode the legacy deficiencies, by undertaking renovation and revamping of its civil structure and replenishment of medical equipments and increasing bed capacity have resulted into additional cost of operations, financing cost and depreciation, causing a strain on the profitability.

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 Directors are interested in the above cited resolution except Dr S Chandrakumar whose remuneration, re-appointment and elevation are considered and Dr S Vijayabaskaran who is the brother of Dr S Chandrakumar. This statement may also be considered as an abstract of the notice u/s 302 of the Companies Act, 1956.

Item 5

Dr D Senguttuvan, a renowned pediatrician in Trichy with a rich experience over 2 decades was inducted on the Board of the Company with effect from 27th July 2011 and confirmed by the shareholders in the AGM held on 21.09.2011 as a Non-executive Director. Since his co-option in the Board, his active contributions through his guidance and directions in the administrative and operational activities of the company and the group companies, are noteworthy to be recorded. In the light of the above the Board and the Remuneration Committee at their wisdom recommend elevating and appointing him as the Executive Director of the Company with effect from 20th July, 2013 with the cited remuneration in resolution 5 upto 30th September, 2016 subject to the approval of the shareholders. Hence the cited resolution in item 5 is placed before the shareholders for their consideration.

STATEMENT PURSUANT TO SCHEDULE XIII, RELEVANT TO MANAGERIAL REMUNERATION

1. GENERAL INFORMATION

1	Nature of Industry	Heath Care		
2	Date of Commencement of Commercial Activities	31-12-1982 (As Pvt Ltd Company)		
		15-07-1988 (As Public Ltd Company)		
3	New Company Details	NA		
4	Financial performance of the FYs 2010-2011, 2011-2012 and 2012-2013 are given below-			

Particulars	Amount in Lacs		
	2010-11	2011-12	2012-13
Net Annual Sales / Revenue	1331.30	1996.42	2919.15
Net Profit after taxes	(451.54)	80.32	93.57

5	Export Performance	NA
6	Foreign Investments and Collaborations	NA

II. INFORMATION ABOUT THE APPOINTEE

- Background details -- Dr D Senguttuvan is a leading Paediatrician, with over 20 years of reputed rich experience.
- Past Remuneration -- NIL.
- Recognition of Awards.
Currently he is in the CII Health Care Panel - Trichy Zone.

He was the Secretary of Pediatric Association.
- Job Profile and his suitability

Job profile is as per the provisions of the Companies Act, 1956. Being a renowned pediatrician with a glorious practice and an able contributor to the administrative activities ensures his suitability for the profile.
- Remuneration proposed -- As mentioned in Resolution No 5
- Comparative Remuneration Profile -- The nature of this industry depends upon the caliber / skills of the individual involved, therefore not-comparable.
- Pecuniary relationship with the company -- NIL

III. OTHER INFORMATION

- Reasons for Inadequate Profit -- The endeavors of the administration to erode the legacy deficiencies, by undertaking renovation and revamping of its civil structure and replenishment of medical equipments and increasing bed capacity have resulted into additional cost of operations, financing cost and depreciation, causing a strain on the profitability.
- Steps taken / proposed for improvement - -
Adopting strategies to ensure that quality performance is assured and higher level of revenue is achieved.
- Expected increase in productivity and profits in measurable value -Expected to be in increasing trend in line with the performance since his inception into the Board.

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 Directors are interested in the above cited resolution except Dr D Senguttuvan whose remuneration and elevation is considered and Mr D Selvaraj who is the brother of Dr D Senguttuvan. This statement may also be considered as an abstract of the notice u/s 302 of the Companies Act, 1956.

Item 6

Dr S Manivannan is the Joint Managing Director and promoter of the Holding Company, Sri Kavery Medical Care (Trichy) Ltd, a multi-speciality hospital and one of its kind in the region. He has been recommended by the Holding Company for the vacancy in the office of the director Mr D Selvaraj who is retiring by rotation and not opting for re-election, by sending a Special Notice under Section 257 of the Companies Act, 1956 on 10th June, 2013 (a copy of which is annexed to this Notice). He has a rich experience of around 2 decades in the administration and operations of the multi-speciality hospitals in Tamil Nadu. It is brought to the kind notice of the shareholders that Dr S Manivannan is the son of Mr D Selvaraj, the retiring Director. As JMD of the Holding Company, his advise and support to the company in the operational areas are exhibited in the note worthy quality enhancement in the services provided. The Board at its wisdom thought it fit to recommend co-opting such an eminent doctor into the Board to avail his able guidance and directions in the operations of the Company. The shareholders may consider and approve.

Hence the above cited resolution in Item 6 was placed before the shareholders for their approval.

None of the Directors are interested in the above cited resolution except Mr D Selvaraj, who is the father of Dr S Manivannan and Dr D Senguttuvan, who is the paternal uncle of Dr S Manivannan.

7. Mr. Pradipta K. Mohapatra is a graduate of Behavioural Coaching Institute, U. K. and is a Fellow of Chartered Management Institute, U. K. He is an Engineer from NIT, Rourkela and studied Management at Jamnalal Bajaj and Harvard Business School.

The ambit of his career includes serving in the Boards of renowned companies in India, USA and Asia Pacific, covering variety of sectors like Energy, IT & BPO, Textile, Hotels, Pharma & Bio-Tech, Cables, Retailing etc.

He has Co-founded Executive & Business Coaching Foundation India Ltd and Chennai Business School Ltd, promoting Executive Coaching as a new profession in India.

Mr. Mohapatra is a doyen of supervising the management of companies by holding first level positions in them. His guidance and advise to the companies are experientially validated besides being supported by his academic accolades.

During his career, he has significant experience in incubation of new businesses as well as nursing sick businesses back to health.

Mr. Mohapatra's work has been documented in several case studies by IMD, Lausanne, INSEAD, Paris and IIM, Ahmedabad.

He is Executive Council Member of the All India Management Association. He was President of Madras Management Association.

He has co-authored 'India's Global Powerhouses', a book published by Harvard Business School Publishing.

Registered Office: (By Order of the Board)
No.6 Royal Road,
TRICHY 620 001. N. Jayanthi
Date: 28th May, 2013 Company Secretary

SPECIAL NOTICE FOR APPOINTMENT OF AUDITORS OTHER THAN THE RETIRING AUDITORS

From
Sri Kavery Medical Care (Trichy) Ltd
Regd Office : No 1, KC Road, Tennur
Trichy - 620 017.

23/05/2013

To
The Board of directors
KMC Speciality Hospitals (India) Ltd
Regd Office : No 6, Royal Road, Cantonment
Trichy - 620 008.

Sub: Notice under section 225(1) of the Companies Act, 1956 for appointment of Auditors M/s BSR & Co, Chartered Accountants, in place of retiring Auditors M/s Patel, Mohan, Ramesh and Co, Chartered Accountants.

Dear Sir/s

We bring to your notice that Sri Kavery Medical Care (Trichy) Ltd , holds 12,23,13,750 Equity Shares of the your company constituting 75 % of the total paid up capital of the company and in reference to the provisions of section 225(1) read with the provisions of section 190 of the Companies Act, 1956, the Company, hereby gives a notice that M/s BSR & Co., Chartered Accountants, Chennai(FRN: 128900W), be appointed in place of M/s Patel, Mohan, Ramesh and Co, Chartered Accountants, the retiring auditors of the company, to audit the accounts of the Company for the Financial Year 2013-14 on such terms and conditions as to remuneration, out of pocket expenses etc., as may be fixed by the Board of Directors of your Company, on recommendation of the Audit Committee of the Directors.

A draft of the resolution for approval at the Annual General Meeting, 2013 is hereby provided. You are requested to please do the needful as per provisions of the Companies Act, 1956.

Thanking you

Yours faithfully
For Sri Kavery Medical Care (Trichy) Ltd

Dr S Manivannan
Joint Managing Director

SPECIAL NOTICE FOR APPOINTMENT OF DIRECTOR OTHER THAN THE RETIRING DIRECTOR

From
Sri Kavery Medical Care (Trichy) Ltd
Regd Office : No 1, KC Road, Tennur
Trichy - 620 017.

10/06/2013

To
The Board of directors
KMC Speciality Hospitals (India) Ltd
Regd Office : No 6, Royal Road, Cantonment
Trichy - 620 008.

Sub: Notice under section 255 & 256 of the Companies Act, 1956 for appointment of Dr S Manivannan, in place of retiring Director Mr D Selvaraj.

Dear Sir/s

We bring to your notice that Sri Kavery Medical Care (Trichy) Ltd , holds 12,23,13,750 Equity Shares of the your company constituting 75 % of the total paid up capital of the company and in reference to the provisions of section 257 read with the provisions of section 190 of the Companies Act, 1956, the Company, hereby gives a notice that Dr S Manivannan, the Joint Managing Director of the Holding Company Sri Kavery Medical Care (Trichy) Ltd, be appointed as the Non-Executive Director in place of the retiring Director Mr D Selvaraj.

A draft of the resolution for approval at the Annual General Meeting, 2013 is hereby provided. You are requested to please do the needful as per provisions of the Companies Act, 1956.

Thanking you
Yours faithfully
For Sri Kavery Medical Care (Trichy) Ltd

Dr S Chandrakumar
Managing Director

The resolutions as provided are included in agenda items 3 and 6 respectively.

DIRECTORS' REPORT

The Board of Directors of your company have pleasure in presenting the Thirtieth Annual Report of the company together with the audited statements of account for the year ended 31st March, 2013.

1. The financial results are as follows:

Particulars	As on 31.03.2013	As on 31.03.2012
Operating Income	2878.70	1969.52
Other Income	40.45	26.90
Total Income	2919.15	1996.42
Financial expenses	213.53	149.20
Depreciation	109.88	96.96
Profit/(Loss) before Tax	136.39	124.59
Provision for Deferred Tax	42.82	44.27
Profit/(Loss) after Tax	93.57	80.32

During the year under review due to increase in Bed strength coupled with improved bed occupancy your company's Operating revenue increased significantly by 47% resulting in a turn around. Your company recorded a Profit Before Tax of Rs. 136. 39 lacs as compared to a PBT of Rs. 124.59 lacs in the previous year resulting in the increase of PAT to Rs 93.57 lacs as against the PAT of Rs 80.32 lacs last year.

However, considering the need to conserve cash for operations and capex requirements, dividends could not be declared.

2. Highlights

Advanced Gastroenterology Procedures

Bariatric Surgery for Obesity

Joint Replacement and Arthoscopy Surgical Procedures

Inauguration of Kauvery Academy

Implementation of 5S Technique.

3. Directors

NAME OF THE DIRECTORS	STATUS OF THE DIRECTOR
Mr R Mohan (Upto 28th May, 2013)	Non Executive Chairman
Dr S Chandrakumar (From 30th May, 2013)	Chairman Managing Director & CEO (Earlier Managing Director & CEO)
Mr D Selvaraj	Non Executive Director
Mr A Krishnamoorthy	Non Executive Director
CA S Chentilkumar	Independent / Non-Executive Director
Mr B Pattabhiraman	Independent / Non-Executive Director
Mr S Krishnamurthy	Nominee Director of the Holding Company's Investors
Dr D Senguttuvan	Non Executive Director
Dr S Vijayabaskaran	Non Executive Director
Mr Pradipta K Mohapatra (From 28th May, 2013)	Independent / Non-Executive Director

The details of re-constitution of the Board are narrated in item 4, 5, 6 & 7 of the agenda in the Notice of AGM, 2013.

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

Though 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 operations, the company takes all efforts to conserve energy and carries out periodical energy audits.

ii. Technology Absorption

Inspite 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	2012-2013	2011-2012
a. Export and Foreign Exchanges Earned	NIL	NIL
b. Import of Equipments and Foreign Exchange (EURO) Outflow	16,435	77,742
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 2012-2013, 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 ending on 31st March, 2013, 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, 2013 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.

7. Audit Committee

Upon resignation of Mr R Mohan, the Chairman Director and member of Audit Committee, the Audit Committee was reconstituted with the following members–

CA S Chenthilkumar	Chairman (Non-Executive & Independent)
Mr B Pattabhiraman	Member (Non-Executive & Independent)
Mr D Selvaraj	Member (Non - Executive)

The Audit Committee met 4 times during the year.

8. REMUNERATION COMMITTEE

The Remuneration committee consisted of the following 4 members -

Mr A Krishnamoorthy
Mr R Mohan
CA S Chenthilkumar
Mr D Selvaraj

The committee did not meet in FY 2012-2013. It met on 28th May, 2013 to consider and recommend item number 4 and 5 of the agenda in the AGM Notice 2013.

9. Deposits

As per Section 58A of the Companies Act, 1956 the company has not accepted any deposit from the public.

10. Personnel

Employer-employee relationship in your company continues to be cordial. Your directors look forward to the same in future. Recruited experienced corporate professionals to head all major corporate functions at a group level.

11. Auditors and their Report

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

A Special Notice has been received from the Holding Company Sri Kavery Medical Care (Trichy) Limited to appoint M/s B S R and Company, their statutory auditors as statutory auditors of our Company. More details are included in the Notice to the shareholders.

The detailed Audit Report for the FY 2012-2013 is annexed with the Financials for the year ended 31st March, 2013.

12. Corporate Governance

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

13. Acknowledgement

Your Directors wish to thank various Government Agencies, State Bank of India, Axis Bank, Indian Overseas Bank, Punjab National Bank and City Union 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 : 28-05-2013 Chairman Managing Director & CEO