

THE NEW-AGE FAMILY HOSPITAL



ANNUAL REPORT

2015-2016

KMC Speciality Hospitals (India) Limited

ANNUAL REPORT 2015-16

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr S Chandrakumar	Managing Director & CEO
Dr D Senguttuvan	Executive Director
Dr S Manivannan	Director
Mr A Krishnamoorthy	Director
CA S Chenthilkumar	Director
Mr B Pattabhiraman	Director
Mr Chandrasekar Kandasamy (From 30th May 2016)	Director
Dr S Vijayabaskaran	Director
Mr N Bala Baskar	Director
Mrs Jayanthi Narayanaswamy	Director
Mr S Krishnamurthy (upto 9th May 2016)	Director
CA G Ranganathan	Chief Financial Officer
CS A Thanikainathan	Company Secretary (Upto 30th June 2016)

BANKERS

Axis Bank
Indian Overseas Bank
Punjab National Bank
State Bank of India
City Union Bank
State Bank of Mysore

AUDITORS

M/s. B S R & Co. LLP
Chartered Accountants
10, Mahatma Gandhi Road
Chennai - 600034

REGISTERED & CORPORATE OFFICE

6, Royal Road, Cantonment
Trichy - 620 001
CIN: L85110TN1982PLC009781
E-mail: cs.kmcshil@kauveryhospital.com
Website: www.kauveryhospital.com

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KMC SPECIALITY HOSPITALS (INDIA) LIMITED
CIN : L85110TN1982PLC009781
REGISTERED OFFICE: NO 6 ROYAL ROAD, CANTONMENT, TRICHY 620 001.

NOTICE TO SHAREHOLDERS

Notice is hereby given that the THIRTY THIRD ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, the 29th day of September, 2016 at 3.00 p.m at Hotel Sangam, Cantonment, Trichy – 620001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial Statements of the Company for the financial year ended 31st March 2016 together with the Report of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Dr S Manivannan (DIN 00910804), who retires by rotation and being eligible, offers himself for re-appointment.

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

“RESOLVED THAT the re-appointment of M/s B S R & Co. LLP, Chartered Accountants, Chennai having Firm Registration Number 101248W/W-100022 allotted by The Institute of Chartered Accountants of India, as Statutory Auditors of the Company to hold office, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, for the third year in the first term of five years as recommended by the Audit Committee and approved by the Board of Directors of the Company, in terms of Section 139 and 142 read with Audit and Auditors Rules, 2014, on such remuneration as may be decided by the Board of Directors of the Company in addition to Service Tax, travelling and out of pocket expenses be and is hereby ratified.”

SPECIAL BUSINESS:

4. Directors retiring by rotation

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

“RESOLVED THAT Dr S Vijayabaskaran (DIN 05139565), who retires by rotation at this Annual General Meeting (“AGM”) and who has expressed his desire not to be re-appointed as a director, be retired with effect from the date of this AGM, not to be re-appointed and the resulting vacancy not to be filled in at this AGM or at adjourned meeting thereof”.

5. Appointment of Dr T Senthilkumar (DIN 1742558) as a Non-executive Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr T Senthilkumar (DIN 1742558), in respect of whom the Company has received notice in writing along with a deposit of Rs 1,00,000 (Rupees One lac only) from a member under Section 160 of the Act, proposing the candidature of Dr T Senthilkumar for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation”

6. Appointment of Mr Chandrasekar Kandasamy (DIN 00236761) as Nominee Director

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Articles of Association of the Company, Mr Chandrasekar Kandasamy (DIN 00236761) , who was appointed as an Additional Director of the Company with effect from 30th May 2016 by the Board of Directors of the company pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing along with a deposit of Rs 1,00,000 (Rupees One lac only) from a member under Section 160 of the Act, proposing the candidature of Mr Chandrasekar Kandasamy for the office of Director, is be and hereby appointed as a Nominee Director of the Company not liable to retire by rotation.

7. Re-appointment of Dr D Senguttuvan (DIN: 01867900) as Executive Director

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

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, appointment of Dr D Senguttuvan, as Executive

Director of the Company for a period of three years with effect from 19th July 2016 to 18th July 2019 by the Board of Directors, on such remuneration including perquisites and other terms and conditions as set out in the explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 annexed to this notice and duly approved by the Nomination and Remuneration Committee be and is hereby approved and ratified:

RESOLVED FURTHER THAT in addition to the remuneration including perquisites, Dr.D.Senguttuvan is entitled to Doctors fees for the services rendered in his professional capacity on actual basis.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year, during the tenure of Dr.D.Senguttuvan as the Executive Director, the Company may pay him remuneration by way of salary, perquisites and any other allowances not exceeding the maximum limits as prescribed under Section II of Part II and Part III of Schedule V to the Companies Act, 2013 as may be amended from time to time AND THAT the Board of Directors of the Company be and are hereby authorized to apply to the Central Government, as may be necessary, if such remuneration exceeds the ceiling prescribed under Schedule V of the Companies Act, 2013 or any statutory modification(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to revise the remuneration package of Dr.D.Senguttuvan as the Executive Director, from time to time, within the ceilings prescribed under Section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 as may be in force from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director or Director(s) to give effect to the aforesaid resolution.

8. To approve related party transactions under section 188 of the Companies Act, 2013 and Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

“RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act 2013 and the rules made there under and Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment thereof for the time being in force, the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any existing Committee(s) or any committee, the Board may hereafter constitute to exercise powers of the Board including the power conferred by this resolution) the approval of the members be and is hereby accorded to the material related party transactions to be entered

into and carried out in the ordinary course of business and at arm's length price with the holding company namely M/s. Sri Kavery Medical Care (Trichy) Limited, being a related party to the Company, in connection with Sale and purchase of goods and the various services including hospital services rendered / availed or to be availed, claims made and reimbursement of claims received on behalf of holding company namely M/s. Sri Kavery Medical Care (Trichy) Limited for a aggregate value not exceeding Rs.50 crores (Rupees Fifty crores only) per annum. “

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized and empowered to do all such acts, deeds, matters and things to settle any queries, difficulties, doubts that may arise with regard to any transaction with M/s. Sri Kavery Medical Care (Trichy) Limited and execute such agreement, documents and writings and to make such filings, as may be necessary or desirable for the purpose for giving effect to this resolution, in the best interest of the company.

By the order of the Board

Place: Trichy
Date : 13th August 2016

Dr.S.Chandrakumar
Managing Director

Notes:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the act"), concerning the Special business in the notice is annexed hereto and forms part of this notice. The profile of the directors seeking appointment/reappointment, as required in terms of clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock exchange is annexed.

2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing the proxy and the power of Attorney or other authority, if any, under which it is signed or a notarized certified copy of the power or other authority with the Registered Office at least 48 hours before the meeting. A proxy form is sent herewith. The proxy shall not be entitled to vote except on a poll.

3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the board resolution/power of attorney authorizing their representative to attend and vote on their behalf at the meeting.

4. The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September, 2016 to 29th September, 2016 (both days inclusive).

5. Shareholders desiring any information as regards to financial statement are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.

7. Electronic copy of the Notice of the Thirty third Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip / Identification Form and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Thirty Third Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance slip / Identification Form and Proxy Form is being sent in the permitted mode.

8. Members may also note that the Notice of the Thirty third Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website www.kauveryhospital.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Trichy for inspection during normal business hours on working days, except Saturdays, Sundays and public holidays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs.kmcshil@kauveryhospital.com.

9. The Notice and the Route map for the venue of the Annual General Meeting is hosted on the Company's website and can be accessed at <http://www.kauveryhospital.com/investors#>.

10. The E-Voting procedure and details of Scrutinizer for the E-voting process is provided elsewhere in the report.

Explanatory Statement (Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement sets out all the material facts relating to the Special Business:

Item No 4: Director retiring by Rotation

In accordance with Section 152(6) of the Companies Act 2013, Dr S Vijayabaskaran (DIN 05139565), will retire by rotation at the ensuing AGM and is eligible for re-appointment. He has expressed that he would not be available for directorship in the Company. The Company does not propose to fill the vacancy at the ensuing AGM or at any adjournment thereof. Pursuant to Section 52 (7) (a) of the Act, a resolution is proposed accordingly.

Memorandum of Interest: Except Dr S Vijayabaskaran and Dr S Chandrakumar who is the brother of Dr S Vijayabaskaran, no other director, key managerial personnel and relative's thereof is concerned or interested in this Resolution.

The Board of Directors recommend passing of the Resolution set out in item no -4 of the Notice.

Item No 5: Appointment of Dr T Senthilkumar (DIN 1742558) as Non-executive Director

The Company has received notice in writing along with a deposit of Rs 1,00,000 (Rupees One lac only) from a member under Section 160 of the Act, signifying the candidature of Dr T Senthilkumar to be appointed as non- executive Director, liable to retire by rotation. Dr T Senthilkumar has consented to and declared as qualified for the appointment as Director, if made. The Board on receipt of the said notice from a member and on the recommendation of its Nomination and Remuneration Committee and subject to the approval of members in this AGM, has accorded its consent, to appoint Dr T Senthilkumar as non- executive Director, liable to retire by rotation.

Information required under Regulation 36(3) of the SEBI (LODR) Regulations 2015 is annexed to this notice as Annexure.

The Board of Directors of your Company recommends the passing of the Ordinary Resolution as set out in the Item no. 5 of the Notice.

Memorandum of Interest: Except, Dr T Senthilkumar, being an appointee, none of the Directors, Key Managerial Personnel of the Company, and their relatives is concerned or interested, financial or otherwise in the resolution.

Brief profile of Dr T Senthilkumar:

Dr T Senthilkumar M.S.,M.Ch., is a senior consultant Cardiothoracic Surgeon with over 2 decades of professional experience. He was instrumental in establishing open Heart Surgery in Trichy. He is well known and respected among the medical fraternity. He is life member of the Association of Cardiovascular and Thoracic surgeons of India and Indian Medical Association. He has rich teaching experience and is an examiner for B.P.T. (Bachelor in Physiotherapy) course for more than 12 years. He has made numerous presentations, and has many publications to his credit.

Item No 6: Appointment of Mr Chandrasekar Kandasamy (DIN 00236761) as Nominee Director

The Board of Directors had, at their meeting held on 30th May 2016, co-opted Mr Chandrasekar Kandasamy as Additional Director, on behalf of Investors of the Holding Company, pursuant to Section 161 of the Companies Act, 2013. Mr Chandrasekar Kandasamy shall hold the office of the Director upto the date of the thirty third AGM. The Company has received notice in writing along with a deposit of Rs 1,00,000 (Rupees One lac only) from a member under Section 160 of the Act, signifying the candidature of Mr Chandrasekar Kandasamy to be appointed as nominee Director, not liable to retire by rotation. Mr Chandrasekar Kandasamy has consented to and declared as qualified for the appointment as Director, if made. The Board on receipt of the said notice from a member and on the recommendation of its Nomination and Remuneration Committee and subject to the approval of members in this AGM, has accorded its consent, to appoint Mr Chandrasekar Kandasamy as Nominee Director, not liable to retire by rotation.

Information required under Regulation 36(3) of the SEBI (LODR) Regulations 2015 is annexed to this notice as Annexure.

Brief profile of Mr Chandrasekar Kandasamy:

Mr.Chandrasekar Kandasamy is the Founding Managing Partner of Stakeboat Capital, with over 27 years of U.S and India based private equity/venture capital experience primarily in the technology and healthcare sectors. Mr.Chandrasekar Kandasamy has a distinguished investment track record, as more than 45 of the transactions he has led, have been successfully exited through secondary acquisitions or initial public offerings.

Prior to Stakeboat Capital, he was an Investment Director with Peepul Capital. Earlier, he was the Managing Partner of ePlanet Capital, India, where he focused on the Fund's activities in India.

Previously, he worked for five years with The Carlyle Group as a Director and Vice President. In this capacity, Mr.Chandrasekar Kandasamy was instrumental in setting up Carlyle's India operations and was responsible for sourcing, evaluating and executing various transactions. He also held Board seats in a range of successful India-based investments.

Mr.Chandrasekar Kandasamy was a World Bank sponsored intern at Poly Ventures in New York, holds a Bachelor of Electrical Engineering from Anna University in Chennai, India, and an M.B.A from Bharathidasan Institute of Management, India.

The Board of Directors of your Company recommends the passing of the Ordinary Resolution as set out in the Item no. 6 of the Notice.

Memorandum of Interest: Except, Mr Chandrasekar Kandasamy, being an appointee, none of the Directors, Key Managerial Personnel of the Company, and their relatives is concerned or interested, financial or otherwise in the resolution.

Item No 7:**Re-appointment of Dr D Senguttuvan (DIN: 01867900) as Executive Director**

Dr D Senguttuvan, was appointed as Executive Director of the Company, by the members at the AGM held on 20th July 2013, for three years to hold office from 20th July, 2013 till 19th July, 2016

The Board of Directors of your Company considering his rich and varied experience in the Industry recommended the appointment of Dr D Senguttuvan, Executive Director of the Company for a further term of three years from 19th July, 2016 till 18th July, 2019 on the remuneration including perquisites and other terms and conditions as mentioned below.

Basic	Rs. 1,50,000 PM
House Rent Allowance	Rs. 15,000 PM
Provident Fund	Rs. 18,000 PM

Plus

- Bonus payable @ 8.33% of Gross Salary. (Basic + HRA)
- Gratuity as per Gratuity Act.
- Leave Travel Allowance not exceeding 50% of one month basic salary, subject to Income Tax provisions.
- Reimbursement of medical insurance premium to self and family, to the extent of Rs 25,000 per annum.
- Payment to the bills of mobile phone/s and internet connections used for official purposes.

STATEMENT PURSUANT TO SCHEDULE V, RELEVANT TO MANAGERIAL REMUNERATION**I. GENERAL INFORMATION**

1	Nature of Industry	Health 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	Not Applicable
4	Financial performance of the Company for the Financial Years 2013-14, 2014-15 and 2015-16 are given below-	

Particulars	Amount Rs. in Lakhs		
	2013-14	2014-15	2015-16
Net Annual Sales/Revenue	3509.37	3650.93	4350.46
Net Profit after taxes	(29.59)	12.38	321.36

5	Export Performance	Not Applicable
6	Foreign Investments and Collaborations	Not Applicable