



KMC Speciality Hospitals (India) Limited

ANNUAL REPORT

2017-2018



ANNUAL REPORT 2017-18
KMC SPECIALITY HOSPITALS (INDIA) LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr S Chandrakumar	Managing Director
Dr D Senguttuvan	Executive Director (Upto 30 th August, 2018)
Dr S Manivannan	Director
Dr S Aravindan	Director (From 31 st August, 2018)
Dr T Senthilkumar	Director
Mr A Krishnamoorthy	Independent Director
CA S Chentilkumar	Independent Director & Chairman
Mr N Bala Baskar	Independent Director
Mr B Pattabhiraman	Director (Upto 11 th November, 2017)
Mr Adithya Bharadwaj	Nominee Director (Upto 30 th August, 2018)
Mr A Ganesan	Nominee Director (From 31 st August, 2018)
Mrs Jayanthi Narayanaswamy	Director
Mr S Badrinarayan	Chief Financial Officer
Mr G Sathyan	Company Secretary

BANKERS

State Bank of India
HDFC Bank
Yes Bank
City Union Bank
Indian Overseas Bank
Punjab National Bank
Axis Bank

AUDITORS

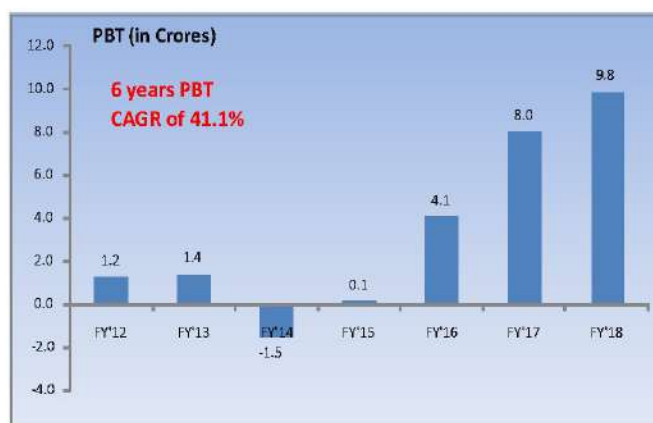
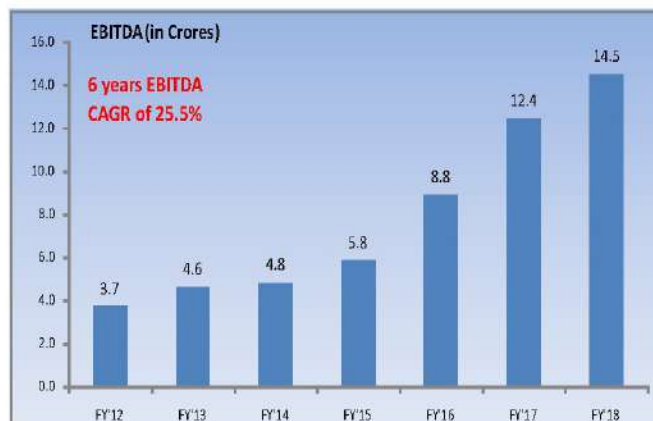
M/s. B S R & Co. LLP
Chartered Accountants
10, Mahatma Gandhi Road
Chennai – 600034

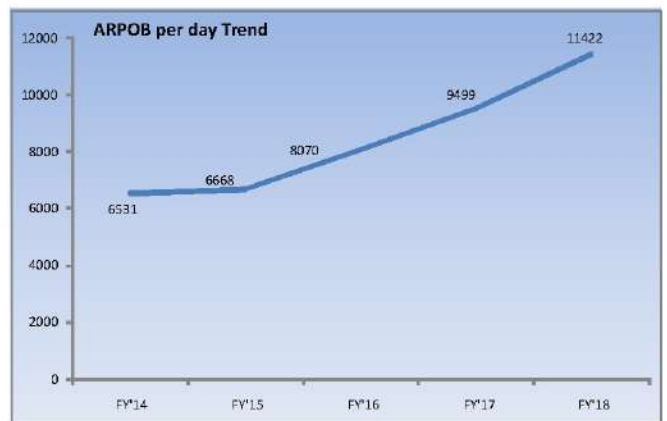
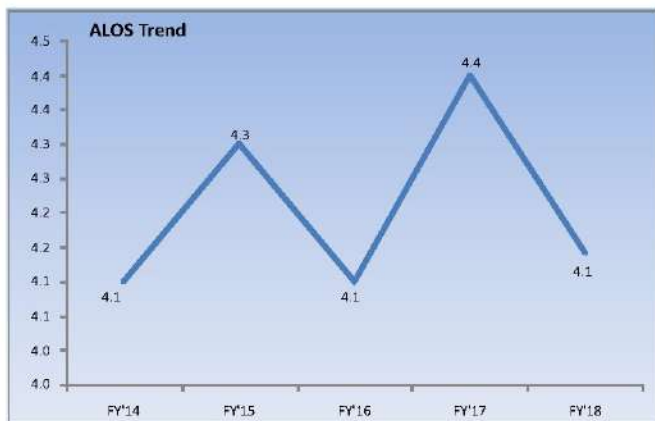
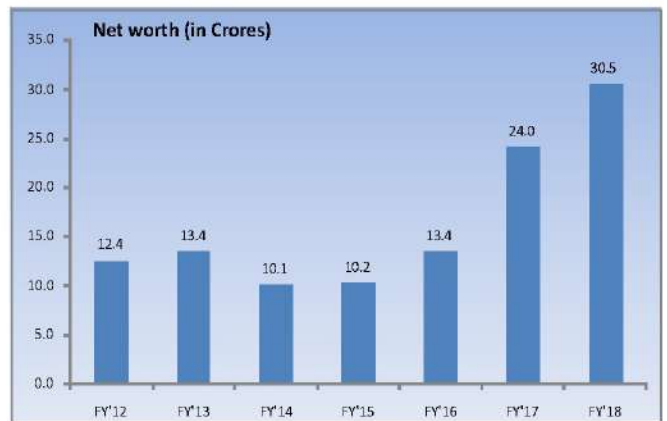
REGISTERED & CORPORATE OFFICE

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 - 620001

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **THIRTY FIFTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Friday, the 28th day of September, 2018 at 10:30 AM** at Hotel Breeze Residency, Mc Donald's Road, 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, 2018 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 appoint a Director in place of Dr T Senthikumar (DIN: 01742558), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Appointment of Dr S Chandrakumar (DIN: 01867847) as Executive Chairman (Whole-Time)**

To consider and if thought fit, to pass, the following Resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the appointment of Dr S Chandrakumar (DIN: 01867847), as Executive Chairman (Whole-Time) of the Company for a period of 3 years from 29th September, 2018 to 28th September, 2021 at a remuneration not exceeding **Rs. 52,50,000/- (Rupees Fifty Two Lakhs and Fifty Thousand only)** per annum;

RESOLVED FURTHER THAT Dr S Chandrakumar shall be eligible for a maximum increase of 8% on the applicable Fixed remuneration effective 1st January, 2019;

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to revise/ vary/ alter/ amend the remuneration payable to Dr S Chandrakumar as per the terms that may be determined by the Nomination and Remuneration Committee from time to time and approved by the Board, which shall not exceed the maximum amount payable to a Whole Time Director in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Act, including any statutory modification or re-enactment thereof;

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Dr S Chandrakumar as Executive Chairman (Whole-Time) be paid the minimum remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 as in force in each financial year;

RESOLVED FURTHER THAT in addition to the remuneration Dr S Chandrakumar, Executive Chairman (Whole-Time) shall be eligible for reimbursement of expenses incurred relating to official purposes as per the Company Policy 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."

5. Appointment of Dr S Manivannan (DIN: 00910804) as Managing Director of the Company

To consider and if thought fit, to pass, the following Resolution as a **SPECIAL RESOLUTION**:

RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded to the appointment of Dr S Manivannan (DIN: 00910804), as Managing Director of the Company for a period of **3 years** from 1st October, 2018 to 30th September, 2021 at a remuneration not exceeding **Rs. 47,12,500/- (Rupees Forty Seven Lakhs Twelve Thousand Five Hundred Only)** per annum;

RESOLVED FURTHER THAT Dr S Manivannan shall be eligible for a maximum increase of 8% on the applicable Fixed remuneration effective 1st January 2019;

RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to revise/ vary/ alter/ amend the remuneration payable to Dr S Manivannan as per the terms that may be determined by the Nomination and Remuneration Committee from time to time and approved by the Board, which shall not exceed the maximum amount payable to a Managing Director in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V to the Act, including any statutory modification or re-enactment thereof;

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year during the tenure of Dr S Manivannan as Managing Director be paid the minimum remuneration as specified in Section II of Part II of Schedule V to the Companies Act, 2013 as in force in each financial year;

RESOLVED FURTHER THAT in addition to the remuneration Dr S Manivannan, Managing Director shall be eligible for reimbursement of expenses incurred relating to official purposes as per the Company Policy 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."

6. Appointment of Dr S Aravindan (DIN: 05172690) as Non-Executive Director of the Company

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, Dr S Aravindan (DIN05172690), who was appointed as Additional Director of the Company with effect from 31st August, 2018 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 lakh only) from a member under Section 160 of the Act, proposing the candidature of Dr S Aravindan for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

7. 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 an **ORDINARY 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) for 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, fellow subsidiaries or associate companies being related parties 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 or any other transactions involving a transfer of resources, services or obligations of whatever nature on such terms as may be mutually agreed upon with the holding company namely M/s. Sri Kavery Medical Care (Trichy) Limited, fellow subsidiaries or associate companies for an aggregate value not exceeding **Rs. 125,00,00,000/- (Rupees One Hundred and Twenty Five Crores only)** per annum;

RESOLVED FURTHER 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, fellow subsidiaries or associate companies and execute such agreements, 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."

8. To approve limits of borrowing under section 180 (1) (c) and 180 (1) (a) of the Companies Act, 2013

To consider and if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED THAT in supersession of the Resolution passed at the Annual General Meeting of the Company held on 28th September, 2017, consent of the members be and is hereby accorded in terms of the provisions of **Section 180(1)(c), 180(1)(a)** and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) to the Board of Directors (hereinafter referred to as "the Board" which shall include any Committee(s) thereof) to borrow from time to time all such sum(s) of money as the Board may deem requisite for the purpose of the Company, notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company and outstanding (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose, provided however that the total amount so borrowed and to be borrowed and remaining outstanding at any one time shall not exceed **Rs 150,00,00,000/- (Rupees One Hundred and Fifty Crores only)** in the aggregate, with or without creating charges on one or more or all assets of the Company."

9. To approve limits of investment(s), guarantee(s) and security (ies) under Section 186 of the Companies Act, 2013

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 provisions of Section 186 read with the Rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board") which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) to give guarantee(s) and / or loan(s) and/ or to provide security(ies) in connection with a loan/any other form of debt to any other body corporate or person and to make investments or acquire by way of subscription, purchase or otherwise the securities of any other body corporate whether Indian or overseas up to a maximum amount of **Rs 100,00,00,000/- (Rupees One Hundred Crores only)** outstanding at any point of time notwithstanding that the aggregate amount of all the guarantees / loans/ securities / investments so far made together with the proposed guarantees / loans/ securities / investments to be made, exceeds the prescribed limits under Section 186 (2) of the Companies Act, 2013;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take from time to time all decisions and steps in respect of the above loans, guarantees, securities and investments including the timing, amount and other terms and conditions of such loans, guarantees, securities and investments and varying the same either in part or in full as it may deem appropriate and to do and perform all such acts, deeds, matters and things as may be necessary,

proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution."

10. To approve transactions under Section 185 of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT subject to the provisions of Section 185, 186 and such other provisions, as may be applicable, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any Director or Officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to give loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a holding or subsidiary or associate or joint venture of the Company, (in which any director(s) is or may be deemed to be interested) upto a sum not exceeding **Rs 25,00,00,000/- (Rupees Twenty Five Crores only)** at any point of time, in their absolute discretion deem beneficial and in the interest of the Company;

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof, be and are hereby authorized to take from time to time all decisions and steps in respect of the above loans, guarantees, securities and investments including but not limited to the timing, amount and other terms and conditions of such loans, guarantees and securities and varying the same either in part or in full as it may deem appropriate and to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution."

11. To re-appoint Mr S Chenthilkumar (DIN: 02621693) as Independent Director of the Company for a second term:

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 provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr S Chenthilkumar (DIN: 02621693), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as Independent Director of the Company for the second term of 5 years with effect from 1st April, 2019 to 31st March, 2024."

12. To re-appoint Mr A Krishnamoorthy (DIN: 00386122) as Independent Director of the Company for a second term:

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 provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr A Krishnamoorthy (DIN: 00386122), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as Independent Director of the Company for the second term of 5 years with effect from 1st April, 2019 to 31st March, 2024."

13. To re-appoint Mr N Bala Baskar (DIN: 00469656) as Independent Director of the Company for a second term:

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 provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr N Bala Baskar (DIN: 00469656), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as Independent Director of the Company for the second term of 5 years with effect from 1st April, 2019 to 31st March, 2024."

14. To appoint Mrs Jayanthi Narayanaswamy (DIN: 07143462) as Independent Director of the Company:

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 Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs Jayanthi Narayanaswamy (DIN: 07143462), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as Independent Director of the Company for an initial term of 5 years with effect from 30th August, 2018 to 29th August, 2023."

15. To appoint Mr A Ganesan (DIN:02122660) as Nominee Director of the Company:

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 A Ganesan (DIN: 02122660), who was appointed as an Additional Director of the Company with effect from 31st August, 2018 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 lakh only) from a member under Section 160 of the Act, proposing the candidature of Mr A Ganesan for the office of Director, is be and hereby appointed as a Nominee Director of the Company not liable to retire by rotation.

By the order of the Board

Place: Chennai
Date: 30th August 2018

G Sathyan
Company Secretary

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